THE FINANCIAL POST

The Canadian Newspaper for Businessmen and Investors

Largest Circulation of All Canadian Financial Papers

Vol. XXXV | Member of Audit Bureau of Circulations | PUBLICATION OFFICE: TORONTO, FEBRUARY 8, 1941 | 10c a Copy: $5.00 a Year | No. 6

All Canada Now Says . . .

Let's Face the Facts —at Home

All over Canada public disquiet is being aroused by the news from Ottawa. In a series of statements, members of the Cabinet are bringing up to date the several sets of plans that represent the Government's war "programme." The statements are, in some respects, in conflict as to their facts, but on the whole they are calculated to arouse the national spirit and are to be commended.

Unfortunately, there is another type of news coming out of Ottawa that lessens the inspirational value of cabinet statements. Almost every newspaper is daily carrying dispatches telling of the growing crisis in the economic phases of Canada's war effort.

The refusal—or inability—of the Government to plan our war programme as an integrated whole is beginning to tell.

There is confusion between military plans, production plans and financial plans, each one being worked out in a vacuum, with insufficient consideration for the impact of one on the other. Let a neutral, but exceedingly friendly observer, interpret the numerous cabinet statements of the past few days.

P. J. Philp, Ottawa correspondent of the New York Times, attended Mr. Howe's press conference. He heard Mr. Howe tell of British war production and of Canadian war production. Wrote Mr. Philp:

> **"The picture he drew was one of sharp contrast between a government and a people who, fully conscious of the danger that threatens them, are putting every ounce of effort into production and the somewhat leisurely methods that seem still permissible on this side of the Atlantic."**

Mr. Philp went on to say that "a shake-up is being planned and is admittedly necessary."

A shake-up is indeed necessary.

* * *

Just how chaotic and disorganized is the situation at Ottawa? The Montreal Gazette says: "We have a sprawling programme instead of a planned programme." Grattan O'Leary, editor of the Ottawa Journal, said in Toronto that he would instantly dismiss seven of the 15 ministers now in charge at Ottawa. The Windsor Star recently sized up the situation by declaring that Canada was "neutral" in this war. The Winnipeg Tribune demands a war cabinet to get some purpose and direction into our war effort.

The Vancouver Sun, the Vancouver Province and the Winnipeg Free Press have been growing increasingly restive over the lack of plan and lack of drive in Ottawa's direction of the war, particularly on the production side.

Almost every nationally influential newspaper in Canada is today revealing the facts and saying the things that The Financial Post and a small handful of commentators have been saying for months. All are demanding a change of spirit, purpose and method in the planning and direction of Canada's work in the war.

* * *

It should be recorded in passing that Canada's effort is not all negative. The record of the Government is not a wholly unhappy one. This country has improvised its way to a tremendous job of war work. But what we have promised ourselves is a 100 per cent effort; an "all-out" effort. The measure of our success is the distance of that objective from our accomplishment. So the shortcomings, where they exist, are important and need examination.

On that basis, then, what things are wrong with the direction of our war effort? Here, it seems to The Financial Post, are two of the more serious fundamental deficiencies:

1. **LACK OF A WAR PLAN:** At no time since the war began has a qualified cabinet committee or other planning group sat down to determine as a whole just what contribution this country could make or ought to make.

Each phase of the programme has developed on its own, and is as often the product of "muddling through" and improvisation as of planning.

That explains such blunders as the 30-day training plan and the drafting of men from key war industries to take inadequate training.

It explains why the second big tank programme has been on, off, and on again.

It explains why the Minister of Finance cannot tell within very wide limits how much money he will have to raise in the coming year.

It explains why one cabinet minister will announce one policy at the same time that another minister is saying just the opposite thing.

It explains how the Prime Minister this week gave the impression that the Air Training Scheme was being virtually doubled, when it was actually to proceed according to plan. There is confusion because there is no group to plan the war effort as a whole.

There is a war committee of the cabinet. It is unwieldy in size. It consists of ministers who have political fences to keep mended, departmental executive jobs to handle and dozens of minor peacetime bureaus to run. There is not one of them who has time to give to planning our war effort.

The remedy is obvious, first a strengthening of the cabinet and then appointment of an Inner War Cabinet. Here are two planks The Financial Post has for many months carried in its platform for Canada published on the editorial page:

> **"Strengthening cabinet leadership by drawing on Canada's best executive brainpower irrespective of political considerations.**
>
> **"An inner war cabinet, free from departmental duties, to plan the nation's war effort and to see that the plans are carried out."**

* * *

2. **LACK OF AUTHORITY IN THE BEST MEN.** There need be no doubt as to the reasons for the current unfortunate impasse between the Minister of Supply and the Chairman of the Wartime Requirements Board.

Mr. MacMillan is a man accustomed to getting things done the simple, direct way. He sees the weaknesses in our war production. He wants to eliminate them, ruthlessly eliminate them if necessary. But he has only advisory powers. His minister did not give him the full authority that any executive must have to do a good job.

Directing war production is not a job for a cabinet minister, cursed as every minister must be with political and routine problems. The supply minister should be a member of an inner war committee planning a well integrated, well co-ordinated war programme. He should turn over to a two-fisted full-time experienced industrial executive the job of actually getting the production out of Canadian industry.

Again the Financial Post quotes from a months-old plank in its platform for Canada:

> **"Appointment of a non-political industrial executive with complete authority to organize and direct procurement of munitions and supply."**

* * *

The wheels are turning remorselessly toward adoption of both these major suggestions: an Inner War Cabinet and a "Sir Joseph Flavelle" to direct war production.

The sooner we get them the sooner will public disquiet be allayed and the whole country given a focus for its zeal and determination.

The Nation's Business

Put Travel Bureau Where It Belongs

This week Commander C. P. Edwards was sworn in as Canada's new deputy Minister of Transport. Mr. Edwards is a radio expert. His record in the civil aviation branch of the department has won him well-merited promotion into the larger responsibilities of the deputy chair.

One of Commander Edwards's important responsibilities that he will probably find more irksome than pleasant is direction of the tourist trade. The Canadian Travel Bureau and the newly-formed interdepartmental committee on

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Moore Corp. Net Profit At Record

Taxes Keep Gain Over 1939 to Moderate Proportions — Activity Continues High

When the 1940 annual report of Moore Corp. appears in about a month, it will show net profits, after allowing for increased taxes, higher than in 1939, The Financial Post is told by company officials.

Exactly how great the increase will be is not known yet. It will depend largely on final determination of the company's tax liability. Earnings before taxes last year showed a large increase over the previous period which itself had established a record level for Moore Corp., showing $3.57 a share earned on the common.

Current business is continuing to gain and it appears that the company's problem in coming months is going to be one of finding adequate productive capacity rather than one of increasing sales.

To date there has been no sign of any difficulty in obtaining the company's chief raw materials. These are paper and ink, used in the manufacture of the business forms and boxes in which Moore Corp. specializes.

Further evidence of the improvement in the company's earnings is seen in the record level of dividends paid on its common for 1940. Including the 60 cents extra paid Jan. 2, this year, Moore Corp. paid total dividends of $2.40 a share for last year compared with $2.20 a share for 1939. Payments are made in U. S. funds.

Follows Business Trend

It has been the experience of this company that its business follows a trend in the same direction as does general business activity. In the recovery period of the late 1930's, Moore Corp.'s volume of business moved well ahead of the general business curve. In the past year there has been evidenced somewhat of a change.

While still moving in the same upward direction as general business indices, the company's business vol-

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Shawinigan's Gross Expands

But Gain in 1940 Likely To Be Absorbed by Taxes

From Our Own Correspondent

MONTREAL.—Shawinigan Water & Power Co.'s financial statement for 1940, which makes its appearance about this time of the year, should show a broad expansion of earning power. Whether or not this will be reflected in net profits remains to be seen. However, judging by the sharp increase in Montreal Power's tax bill, it is not likely that Shawinigan will be able to maintain earnings at the 1939 level.

To the end of September Shawinigan had a gross income of $12.1 millions, an increase of $1.2 million over the like period of the previous year. For the nine months' period income taxes at $710,922 were 2½ times as great as in the like period of 1939, leaving net profits to the end of September at 75 cents a share, as against 77 cents a share in the same period of the previous year.

Gross revenues for the full year should be at an all-time high in view of the showing made to the end of September and the maintenance of operations in the last quarter.

Canada's War Plans for 1941 As Officially Outlined

Prime Minister King and several members of his cabinet this week made statements dealing with Canada's war plans for 1941.

Herewith The Financial Post presents a summary of this information, supplementing it from previous statements, to bring Canada's war picture up-to-date:

THE FIGHTING SERVICES

Army

In Nov., 1940, Canada's army comprised 52,093 officers and men on overseas duty; 115,324 stationed in Canada. Total: 167,417. Reserves (militia) were approximately 100,000. Thirty-day training camps had 25,391 enrolled. An armored corps (administrative unit) had been authorized of which one brigade was organized.

The 1941 programme enlarges the active army (a) by reinforcements; (b) by mobilization of an armored division (12,000 men, cost in 1941 $75 millions) and a tank brigade (three battalions, 1,800 men, cost $30 millions).

Additional army strength from these purposes estimated at 40,000 to 80,000 depending on field requirements. Thirty-day training is replaced by four-months compulsory training which will produce 72,000-78,000 reserve soldiers annually.

Air Force

At outbreak of war enlisted Air Force strength was 4,450, is now approximately 36,000. To complete the Air Training programme along lines already laid down will require 40,000 additional personnel in 1941. Three squadrons now overseas will be increased to 25 which will complete training and be equipped by Britain. Planes in use for the Air Training plan now number 1,400, to be increased to 4,000 by the end of 1941.

Navy

Naval strength in Sept., 1939: 1,774 officers and men; 15 ships. Current strength: 15,319 personnel; 175 ships. Last November it was estimated Canada would have 250 ships and 23,000 personnel by Mar. 31, 1942. This programme now enlarged to 26,920 officers and men and 413 ships.

MUNITIONS AND SUPPLY

Contracts awarded by the Department of Munitions and Supply to Dec. 31, 1940, are stated to be $1.1 billion; $671 millions on Canadian account, $418 millions U. K. account. No details available as to how much of this programme will be realized in 1941 or how the total is divided as between types of product, planes, shells, guns, etc. Part of it consists of some capital projects covered in the next item.

Capital commitments by the Department of Munitions and Supply are placed at $307 millions of which 35% is for U. K. account, 30% Canadian account, 35% joint account. Details of this programme, part of which is reflected in Munitions and Supply contracts awarded, are as follows:

Product	Amount ($ millions)	% of total	No. of firms
Shells and bombs	32.8	11	46
Armaments	102.7	35	24
Aircraft	18.1	5	25
Automotive	7.3	2	13
Chemicals, explosives	104.0	34	11
Machine tools & tech. equipment	4.4	1	25
Miscellaneous	37.6	12	14
	307.1	100	158

Labor Requirements of the munitions and supply programme are estimated as follows:

Production of—	No. of workers required as of— Dec. 31/40	Dec.31/41
Shells, components	7,800	15,000
*Aircraft	18,000	40,000
Chemicals, explosives	2,000	21,000
Shell filling	500	
Construction	49,600	20,000
Guns	4,700	20,000
Small arms ammunition	4,000	20,000
†Shipbuilding	16,000	25,000
Military motor vehicles	19,300	23,300
Motor veh. body units	1,400	5,600
Motor veh. tires	1,800	2,200
Military clothing	15,500	6,500
Primary textiles	8,000	5,500
Tanks	1,000	10,000
Steel	....	7,000
Extra clerks	....	5,000
Total	149,600	226,100

*Including civilian maintenance.
†Including boilers, engines and fittings.

FINANCE

In the first 12 months of war, expenditure on war account totalled $290 millions—about $800,000 per day. In the first 9 months of the present fiscal year, actual war expenditure was $477 millions. Current cash outlay is at the rate of $3 millions a day, $1 billion annually. In addition Canada must find $300 millions annually to meet repatriation of U.K. securities, increase of sterling balances, etc.

So far estimates of war costs in 1941-42 are purely speculative. The extent and cost of the munitions and supply programme are not yet known. Service estimates on the above basis are not yet approved or analyzed. Much will depend on the course of the war. War costs alone will probably be not less than $2 billions this year.

Cabinet Shake-up Looms at Ottawa

Flare-up in Department of Munitions and Supply Thought to Presage Cabinet Upheaval — Control and Direction of War Effort at Stake

From Our Own Correspondent

OTTAWA.—Canada seems to be approaching another political upheaval which may shake up the present Mackenzie King Cabinet, and cause far-reaching changes in the tempo and direction of the war effort.

The timing and form of this upheaval are still uncertain. The storm may develop as a result of the MacMillan-Howe controversy, or not until the tragic and impelling onslaught of total war on Britain. It may be staved off for a little while if Mr. King can repeat past performance and ride it out for a further period.

But it cannot much longer be averted, in the view expressed by an increasing number of people who have watched at first hand the approach of what they now believe to be an inevitable storm.

King to Continue

That Mr. King will continue as Prime Minister is apparently taken for granted. Mr. King has never been rated a man of action. He is deemed to lack the dynamic qualities of leadership which a nation needs most in time of war. But at the moment, it is argued, there is no one in or out of public life who has demonstrated his ability to give better leadership than Mr. King, no one who can readily command the support and confidence of a substantial and representative group of Members of Parliament or of citizens at large. Canadians don't know a better pilot. If they did it seems clear that they would have put him at the wheel before this.

The crisis which seems to loom revolves around this point: Is Mr. King willing to give Cabinet rank or dictatorial responsibility to men other than those who are loyal to his own political faith? So far this has not been done in sufficient degree to warrant public confidence in a united, all-out national effort. It has not been done to the point of convincing and enlisting the wholehearted support of the scores of civil servants and wartime dollar-a-year men, the rank and file of men who have come to Ottawa (many at great personal sacrifice) to assist in winning the war.

Changes Needed

To remove growing lack of confidence regarding the direction of Canada's war effort, important changes are deemed inevitable. These may be by complete revamping of the present Cabinet or by going outside the ordinary democratic processes—perhaps even violating the idea of Cabinet responsibility as we now know it.

The term "national government" in usual meaning is misleading. To enlarge the Cabinet to include present party representatives is not necessarily a proper answer. Such a move might restore some measure of public confidence. It might still fail to put sufficient drive and direction into the war effort.

Press Blamed

At the moment this lack of confidence is being described by those close to the Government as due to an "unpatriotic" attitude on the part of the press of Canada. "The press is the greatest single handicap to the war effort," is the way one official described it. What he believed apparently was that the press had distorted one or two of the most glaring problems of war leadership and were using these examples to undermine public confidence in the whole war programme. The fact is that newspapers have merely reflected a growing dissatisfaction.

The recent controversy between Hon. C. D. Howe, Minister of Munitions and Supply, and H. R. MacMillan, chairman of the Wartime Requirements Board, has served to bring this underlying dissatisfaction as to Canada's war leadership to the surface at Ottawa.

Mr. Howe is essentially a man of action. He has plenty of courage. But apparently he has failed to convince his colleagues in the Cabinet that the direction and performance of his Munitions and Supply Department is satisfactory.

MacMillan Survey

During Mr. Howe's absence in England H. R. MacMillan, in his position as chairman of the Wartime Requirements Board, probed deeply into Canada's huge procurement programme. He attempted to get beneath huge and sometimes meaningless production figures. He attempted to find out how much production Canada should actually achieve in 1941 and in 1942. He attempted to find out something of the cost of the programme in dol-

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Ault & Wiborg Sales Increase

Preferred Stock Earns $35 — New Products Enter Profit Stage

Profits of Ault & Wiborg Proprietary Ltd. will run about $161,000 for the 1940 fiscal year compared with $203,420 in 1939, according to A. C. Ransom, chairman of the board of the company. Sales recorded a gain of some 10%, but a doubling of income taxes payable led to a lowering of net profits.

On the basis of net profits of $161,000, earnings per preferred share amounted to $35.81 in 1940, compared with $45.24 in 1939, while common earnings were $3.03 against $3.94 in the previous year.

Two new products pioneered by the company in Canada emerged from the development stage in 1940. The first of these, an ink for printing textiles, replaces former dyeing methods in the production of striped shirtings, etc. This product began to make profits for the company in the latter part of 1940.

Canadian patent rights to the production of "Polymerol" and "Kolzol" were secured by the company during the year and production, which commenced in July, is now carried on at a profit.

"Polymerol" is a fast-drying oil used in paints, varnishes and printers' inks and is a substitute for tung oil (Chinese wood oil) which is now

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Building Swells In January

Building activity in Canada swung into 1941 with operations sustained at the high level of the past half year, despite some restriction of construction for the Air Training Plan and other war purposes.

Construction contracts awarded in January, as estimated by MacLean Building Reports, were valued at $26,579,800. This is three times the total for Jan., 1940, and 57% above December. While a number of major contracts were awarded for Air Training projects, barracks and war factories, the two largest items in last month's total were the $8 millions highway development in northern Ontario and a $6 millions concentrator project at Copper Cliff, Ont.

Rogers - Majestic To Consider Sale

Shareholders of Rogers-Majestic Corp. are meeting Feb. 14 at the company's office in Toronto to consider the offer to purchase the manufacturing plant and other assets, except the assets of Rogers Radio Broadcasting Co. As announced a short time ago, Small Electric Motors (Canada) has offered to pay $645,000 for the portion of the assets which it desires to buy. This would be the equivalent to $3 a share on the A and B shares of Rogers-Majestic.

Lenders Cool To Alta. Plan

Proposed Extension of National Housing Act Loans Believed Rejected

From Our Own Correspondent

EDMONTON.—Demand for National Housing Act loans has pressured the Alberta Government into a move to put new funds it would now like to draw into the province on a different footing from that already invested in Alberta.

Hon. Solon Low, Provincial Treasurer, on his return from the Sirois Conference, announced he had asked representatives of mortgage lending institutions to extend operation of the National Housing Act to Alberta. Because of debt legislation, Alberta is the only province where the Act has not yet operated.

From Mr. Low's statement it appears that a three-way agreement between the Dominion Government, the province and the lending institutions has been suggested. Under the agreement the lending institutions would be given certain assurances that National Housing Act loans would be exempt from Alberta debt legislation, present and future.

In the view of representatives of loan companies here this is merely an old proposal dressed in a new robe. As far back as April, 1939, the Alberta Government offered assurances that National Housing Act

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Seek Fixed Prices For Many Products

Butter Venture at Ottawa Signal for Widespread Demands

From Our Own Correspondent

OTTAWA.—Groups of distributors of food products and other basic commodities—retailers, wholesalers, processors—are beginning to press Ottawa for changes in war policy to fix a floor under prices "for the duration"—but not necessarily a ceiling over them.

Chief proposals advanced are:

1. Minimum prices fixed by law.
2. Prohibition of "loss" leaders.
3. Prevention of price cutting at every stage of distribution, from primary producer to consumer.

The Government's decision to grant a minimum price to butter producers has given new force and purpose to this move. Hitherto, however, the pressure has been resisted. Most of the requests are being lodged with the Wartime Prices and Trade Board.

Little publicity has attended this campaign for a rigid minimum price structure because the various applicants have not sought publicity. A few days after the butter decision was announced, the Canadian Food Distribution Council came to Ottawa and interviewed the Wartime Prices and Trade Board.

This organization purports to represent wholesalers, retailers, processors, primary producers and chain stores. George Hougham, of Toronto, an official of the Retail Merchants' Association, headed the delegation.

Aid Primary Producers

The main argument of this delegation was that a rigid minimum price structure would benefit primary producers—fruit and market garden, growers, poultrymen and so on. But price intervention was also sought on a wide range of groceries and in particular, the prohibition of loss leaders was desired.

This organization became active

(Continued on page 10, col. 6)

Competition Keen In Mine Contest

Engineers, Statisticians, Businessmen and Many Others Send Entries

Entries in The Financial Post's "Investing in Canada's Mines" contest, judging of which has begun, reflect the widespread interest that has been aroused in the competition.

Mining engineers, statisticians, investment counsellors, businessmen and one school principal are among those vying for prizes.

Altogether 70 entries were received in the contest, coming from points scattered across Canada from the Maritimes to British Columbia. Portfolios were sent from such widely separated places as Red Lake, Rouyn and New York.

A noteworthy feature of some entries is that they show people in outlying sections of Canada are often as well informed as those in the larger centres, with closer access to investment information.

The occupation of entrants seems to be reflected in many contest entries. For instance, two chartered accountants presented their portfolios in exhaustive detail and obviously spent a great deal of time on them.

Brokerage house statisticians were more prone to consider possible effects of market action on the investment portfolio. A mining engineer devoted his entry to an exhaustive analysis of what qualifications a mine should have to be suitable for investment.

With all entries to be marked by each member of the board of judges, some time will necessarily elapse before announcement of prize winners can be made. However, winning entries are expected to be announced in the course of a few weeks.

The War And Business . . *A Weekly Round-up*

Thumbs Up

Don't believe stories you hear that British war production has been greatly hampered by loss of plant and working time as a result of bombing.

At the present time the outside figure is 15%. The actual figure is nearer 10%. Of these percentages about five sixths is due to time loss rather than to actual destruction of property.

In one much-publicized raid on an industrial centre a check-up of 50,000 machine tools in operation prior to the raid showed that only 2,500 had been damaged. Within a few hours almost half this number had been repaired and were back in service.

* * *

Behind the Dispute

Behind the Howe-MacMillan controversy is an alleged failure of the Department of Munitions and Supply to produce satisfactory figures as to the nature and extent of Canada's munitions programme during 1941-42.

There is said to be an unusually huge gap between cash outgo and commitments, which has not been explained; and also an inability on the part of Munitions and Supply to produce satisfactory estimates as to the cost and details of actual production which will materialize in 1941-42.

The basic argument is that the lack in figures reflects weakness in the set-up of the department and that reorganization of the supply effort and personnel is the only way to correct this.

Purvis in Ottawa

Rt. Hon. Arthur B. Purvis paid a fleeting visit to Ottawa this week presumably to discuss closer liaison between Canada-U. S.-U. K. in regard to war supply effort.

One secret of Mr. Purvis's success in handling Anglo-U. S. relationships is the fact that he works from a "master plan" which shows at all times just what is required and how the needs are being met.

It is interesting to speculate whether Mr. Purvis was able to convince Prime Minister King that such a plan would increase the effectiveness of Canada's war effort, and permit closer co-ordination between the supply efforts of U. K. and U. S.

* * *

War Prospects

A well-considered view of the war outlook was given The Post this week by one who has had unusual opportunities to size up the situation at first hand. The high lights:

Hitler is expected to strike simultaneously at three points: Gibraltar, Turkey and Britain. If any one plan succeeds, the others will be excused as "feints."

Chief pressure will be put not on an invasion of Britain, but in the Mediterranean. Reason for this is that Hitler now believes he can starve or blockade Britain by reason of his submarine campaign.

The "army" in Britain is convinced there will be an invasion.

Atlantic Lifeline

Most vital sector of the war is, of course, the Atlantic life-line. Many ships have been disabled by bombing which do not appear in weekly losses.

There is increasing conviction that U. S. convoys to Britain cannot be much longer delayed and that they must and will be forthcoming once the lease-lend bill is passed. If U. S. production is to stand a good chance of war-winning, U. S. tools, engines, planes, etc., must reach their destination.

* * *

Supply Changes

This week, Hon. C. D. Howe, named as his executive assistant, E. P. Taylor, president of Canadian Breweries, Ltd. Mr. Taylor has been a dollar-a-year joint director-general of munitions production since last summer. This job will now be taken over by Harry Carmichael, former general manager of General Motors of Canada.

Mr. Carmichael's title is misleading. What he is being asked specifically to do is to assume control of the nation's huge gun production programme, to see that present orders and commitments are met.

Mr. Taylor will take over responsibilities formerly handled by the late Hon. Gordon Scott, financial adviser of the Department. He will be responsible under Mr. Howe for negotiating and completing the financial deals initiated by the department.

Insurance and Budgets

This week, newspapers carried a series of typical family budgets worked out by the War Savings Committee to show how families with varying incomes could budget to buy War Savings certificates.

Economists and statisticians who started to analyze the figures found an item "life insurance" which appeared to loom very large in relation to total income.

They opined the view that the close relationship between life insurance officials and war savings personnel had something to do with this and that in reality the figures represented an ideal rather than the actual situation as it would be found in the average family group.

* * *

Tax Prepayments

First evidence of the extent to which Canadians were paying their income tax payments in installments came this week with release of January tax payments. The new figure is $29 millions compared with $5.8 millions a year ago.

Department officials refuse to hazard a guess as to how much of this was due to a general rise in payments and how much to prepayment. However, the January figure is five times larger than a year ago, whereas for prior months, tax returns have been running something less than twice as much as corresponding figures the year previous.

Recently it was estimated tax returns for the fiscal year now ending would be $270 millions, apparently including an estimate for prepayment.

Make Sure You See —

How Canada Stands in Brazil
Canadian Properties—p. 11.

Hitler's Unpaid U. S. Allies
Back Peace Deal—p. 11.

War Boat Building and "Outsiders"
War Boat Orders Stir—p. 12.

Pickle Crow's Latest Discovery
Rich New Pickle Crow—p. 19.

Conference Ahead on War Finance?
War Finance Conference—p. 3.

MEN'S SHOP
FINE APPAREL FOR MEN

WE'RE INDIVIDUALISTS!

At the Men's Shop we know that no two figures are exactly alike . . . that every man has his own personal likes and dislikes in the matter of materials and styling. That's why we keep such large and varied stocks on hand, and specialize in a highly personal service. It is our constant endeavour to satisfy the individual . . . to tailor suits that will fit each individual figure . . . suits that will compliment each individual man!

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Made-to-order, from $26.50 to $57.50

FREE PARKING WHILE SHOPPING

MEN'S SHOP

EATON'S - COLLEGE STREET

C. I. L. Lets Contract For Nylon Plant

From Our Own Correspondent

MONTREAL. — Canadian Industries Ltd. has let a contract for the construction of the Nylon plant on the outskirts of Kingston, Ont., to Anglin Norcross Ontario Ltd. Construction work is expected to start during March and will cost approximately $700,000.

STANDOUT YOUNG EXECUTIVE AVAILABLE

Do you need a man with proved executive ability who can shoulder responsibility, get results? Here is one with ten years' experience in selling, sales promotion and advertising. Decided flair for merchandising. Record impressive—clean as a whistle. Employed at good salary but seeking REAL opportunity. Married. Age 30. Chief Assets: Intelligence, sound judgment, organizing ability, initiative, ideas, good sales ability and personality (not flashy). Gets along well with people. Could capably assist some top-flight sales or management executive or direct sales or sales promotion and advertising. Would consider management of smaller business or branch organization. Willing to go anywhere for right spot. Address Box 23, The Financial Post, Toronto, for details, interview.

For Freedom
BAGLEY

MONEY, no less than men and machines, is vitally needed to win this war.

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Go to the branch of The Royal Bank where you maintain your account. Sign one of the special War Savings "Pledge" forms which will enable the bank to purchase War Savings Certificates for you every month automatically.

Once you have signed the form, the bank looks after everything for you . . . buys the certificates, pays for them out of your account . . . arranges for them to be delivered to you direct from Ottawa.

This is urgent. Do it to-day. It's a sure way to save . . . and a practical way to strike your blow for freedom.

THE ROYAL BANK OF CANADA

WAR SAVINGS PLEDGE FORMS AVAILABLE AT ALL BRANCHES

National Steel Earnings Jump

Gross in Past Half Year Reported Double That in 1939

Earnings of National Steel Car Corp. are understood to be at a level almost twice as high as at this time last year, The Financial Post is informed.

In the first six months of the current fiscal year earnings before taxes but after depreciation are understood to be in the neighborhood of $750,000. This is equivalent to about $4 a share on outstanding common stock.

Large Depreciation Write-off

In the year ended June 30, 1940, gross earnings were $1.9 million, but over $1.2 million was written off for depreciation and amortization of special equipment. The figure quoted for the past six months is said to have been earned after depreciation.

The company's Hamilton properties are operating an excellent average rate of capacity. Orders for rail equipment are small but the company has levelled this off to a considerable extent by other volume.

Aircraft Volume Small

The Malton aircraft plant is operating at only a fraction of capacity on miscellaneous orders. Orders, which were promised more than a year ago, and confirmed more recently, have not yet been received. Parts for various aircraft construction projects are being manufactured.

Number of persons employed (exclusive of the Malton aircraft plant) is approaching 2,750, including salaried workers. Previous high point was in January, 1930, when the company had over $30 millions of car orders on its books, with a payroll of 2,200.

Production in the munitions division of the company's operations is currently at the rate of between $16 and $17 millions annually, and the number of units turned out daily runs into five figures.

The company recently completed the last of an order from the Canadian Pacific Railway Co. for 100 gondola freight cars and 300 hopper cars. Orders for steel truck bodies and special snow rollers for keeping air runways open are also under way. There are 1,700 employed in the company's new munitions plant.

Hawker Wing Orders

It is understood that the company is planning to extend its aircraft production in the manufacture of 200 sets of Hurricane fighter wings. Some of the company technicians are now at Fort William in connection with this order—an order placed last fall direct by the British Government with Canadian Car and Foundry Co.

G. Tamblyn Ltd. Earns $1.05 on Common

Sales and earnings of G. Tamblyn Ltd. showed gains for the final quarter of 1940 and for the year. Earnings per share, after allowance for all charges and taxes, amounted to $1.05 on the common in 1940 as compared with 96 cents in 1939.

Comparative figures follow:

Earnings Record

Three Months Ended Dec. 31	1940 $	1939 $
Sales	1,163,131	1,005,952
Net profits	62,843	61,774
Years Ended Dec. 31		
Sales	3,885,854	3,566,790
Net profits	122,753	132,513

The Nation's Business

(Continued from page 1)

tourist trade are both under the Transport portfolio.

But tourist traffic does not fit into the Transport Department. Nor does it happen to be a subject related to Commander Edwards's excellent training and experience.

* * *

Tourist trade has become Canada's most important continental export. It is the most important single source of U. S. dollars. Our ability to merchandise and expand this trade is as much a part of our war effort as the manufacture of bombers and shells.

For this reason The Financial Post has urged that tourism be placed in the Department of Trade and Commerce. This is the department specifically charged with development and expansion of Canada's export trade. It is a department which has already in the United States a number of efficient and competent officials who could be used effectively and promptly to merchandise Canada's tourist trade. Already some of the resources of this department (its exhibitions branch) are being used to promote sporting and travel shows in that country. The logical move is to bring these efforts and those of the Canadian Travel Bureau under one administration.

This would ensure the most effective use of Canada's present travel organization. It would link the energy and enthusiasm of Leo Dolan, director of the Tourist Bureau, with the business experience and connections of a department which is in every way the best equipped to handle this wartime responsibility.

* * *

Premier Pattullo And War Finance

Premier Pattullo has issued a lengthy defense of his Ottawa stand on the Sirois report. It emphasizes sacrifices that would have to be borne by the province if there were a re-delegation of powers.

If these contentions are justified, they should have been presented where they would have been helpful, at the Dominion-provincial conference.

* * *

There are important considerations which the premier omits to mention.

The province, to an important, degree is living on wasting assets.

Because of rich natural resources and a highly concentrated industrial organization, the province and municipalities have been able to levy taxes nearly double the national average.

In providing abnormally high service standards, British Columbia has drawn heavily upon capital. Debt has been built up to heights, which the long-range outlook does not appear to justify. If and when these resources are depleted, the province will be left with an unsupportable debt and standard of services.

* * *

The Government of British Columbia has not taken a realistic view of its current position. In its recent budget no recognition is made of the fact that a war is being waged, to which B. C. taxpayers will have to make staggering contributions. Revenue for the year is estimated at an all-time high. Expenditure is expected to show only a negligible drop from the past year, although it was well known when the budget was prepared that the Dominion's 1941 requirements for war would be tremendous.

Premier Pattullo also fails to note the fact that war policies are stimulating British Columbia industry and giving the province fortuitous profits.

When the war stimulus has been removed the province will experience peacetime problems of unemployment distress and declining revenue.

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Cabinet Shake-up Looms

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lars and cents and in labor and materials.

Prior to Mr. Howe's return Mr. MacMillan completed a report which made sweeping recommendations regarding the personnel and administration of the munitions programme. Included in its recommendations are said to be an indictment of Federal Aircraft; a proposal to appoint a munitions production manager and a plan to vest the Requirements Board with authority and administrative powers.

Failure of Hon. C. D. Howe and H. R. MacMillan to agree on the basic principles embodied in this report is apparently the reason for Mr. MacMillan's reported resignation.

Challenged Policy

In short, the Board has, for the first time, challenged in an official way the administration and direction of Canada's war supply programme. It has provided a yardstick against which Mr. Howe's optimistic and often misleading statements can be judged. It has suggested that much wider authority in the control and direction of the war effort be given to men not holding Cabinet posts.

Admittedly some parts of the procurement programmes have been carried out excellently. This is chiefly where Canada has known how to do the job. The grief has come or is slated to come in such fields as aircraft, run on the principle of dividend control under a minister who has retained both policymaking and administrative responsibility.

Presumably, if the sort of authority which Mr. MacMillan envisaged as necessary to get results were permitted, it would run counter to the principles on which Mr. King has so far conducted the war effort.

Repercussions Expected

The importance of the job which Mr. MacMillan as head of the Requirements Board was asked to do, and the issues at stake, are therefore expected to have repercussions far beyond the Department of Munitions and Supply. Assuming Mr. MacMillan's resignation goes through, the B. C. timber king is not expected to take his withdrawal from Ottawa "lying down."

In the short time he has been at Ottawa he has gained many close friends and supporters in the very highest circles. Though his methods and his procedure have at times been challenged as being undemocratic, his motives and his ability have been regarded as above reproach. He is described as a man who can think and think straight—one who put tremendous drive and initiative into anything he tackles—the sort of man who is badly needed in a war effort.

If Mr. MacMillan's resignation is followed by the resignation of Ralph P. Bell, as reported elsewhere in this issue, it is felt that issues will have been raised which cannot be overlooked by the Prime Minister. Mr. Bell is a Maritimer and a loyal Liberal (Mr. MacMillan is a B. C. Conservative)

Mr. Bell has put tremendous energy into his job as Director-General of aircraft production. He, too, has been long dissatisfied with his failure to get results under the existing scheme of things. Resignation of both or either of these men may therefore touch off a smoldering dissatisfaction throughout many parts of the country.

Bell Resignation Forecast

From Our Own Correspondent

OTTAWA.—Resignation of Ralph P. Bell, Director-General of Aircraft Production in the Department of Munitions and Supply, is expected shortly.

Mr. Bell has wanted to quit before in protest against departmental policy regarding aircraft production in Canada. On previous occasions his desire to withdraw was apparently overruled and he has continued with his job. This time it is expected he will remain adamant.

One reason for Mr. Bell's reported move is the failure of Hon. C. D. Howe to take immediate action in regard to Federal Aircraft Ltd. A few days ago Mr. Howe stated at a press conference that nothing was being done immediately to disturb Federal, in spite of widespread criticism of its failure to produce results in the manufacture of Avro Anson planes.

Mr. Howe is reported as saying: "I see nothing at the moment to indicate that we would get more planes by upsetting the Federal apple cart."

Report Ignored

Mr. Howe's decision was made apparently in the face of strong representations to the Government by the Wartime Requirements Board and by aircraft manufacturers in Canada. Early in January the aircraft manufacturers made a joint report to the Acting Minister of Munitions and Supply setting forth in the strongest possible terms their views regarding the Federal situation.

They recommended that Federal be closed out and that engineering and management of the Anson contract be placed immediately in charge of de Havilland Aircraft of Canada Ltd. Contract and financial arrangements were to be placed under the Department of Munitions and Supply.

Manufacturers Rapped

One reason given by Mr. Howe last week for not making any move in regard to Federal is that this company was in no worse shape than the rest of the aircraft industry in Canada. This is apparently taken to mean that aircraft manufacturers who are critical of the Federal situation are themselves behind in their schedules. Mr. Howe indicated that the Federal set-up would be looked into as would also conditions at de Havilland.

As far as The Financial Post can ascertain, these decisions by Mr. Howe have been made without prior consultation with Mr. Bell as Director-General of Aircraft Production. Mr. Bell has refused to comment either on the report of his resignation or on the situation in the aircraft production branch of the Department.

Mr. Bell referred to an order sent this week to all departmental heads in the Department of Munitions and Supply forbidding discussion of departmental business with any members of the press. In future the only statements or comment which may be made must come directly from the minister or through the official publicity channels of the department.

Moore Corp. At Record

(Continued from page 1)

ume has not moved upward quite as fast. This has apparently been the general experience of companies engaged in production of business forms in the United States and Canada.

The explanation accepted is that, in the current stage of business recovery, the heavy industries are contributing more than their normal share of the volume of business being done. This affects the business done by the business forms manufacturers in that it requires only as many forms to handle an order for a few carloads of steel as for a pair of shoes. But the dollar and physical volume of the former orders is many times greater, thus giving it a greater effect on business indices.

Moore Corp. does approximately 90% of its total business in the United States and the balance in Canada. It is understood that business done in both countries last year was well ahead of previous levels and that this trend is continuing. Because taxes have not reached such high levels in the United States, the proportionate share of net profits coming from that source is probably higher than normal.

War Supply Problems Stick

Many phases of Canada's munition and supply programme for 1941 still remain in doubt, despite important statements by Hon. C. D. Howe at his press conference this week.

In face of the conflict of opinion between Mr. Howe and H. R. MacMillan, chairman of the War Requirements Board, Mr. Howe dismissed criticism with a wave of the hand. Momentarily, all doubt of the wisdom of pursuing present policies was dissipated by Mr. Howe's optimism and supreme confidence.

He made these announcements:

Federal Aircraft Ltd. and the existing set-up to produce Avro-Anson bombers will be retained, though running three months behind schedule. A change would increase, not abate, the delay, Mr. Howe said.

The new programme will include production of new heavy bombers able to fly the Atlantic; 18 additional freight ships (36 in all); destroyers and tanks.

The decision respecting production of aero engines here will be delayed.

Heavy Bombers

The programme for manufacture in Canada of four-engined heavy bombers is still nebulous. The plan has momentarily stopped all negotiations which were under way to arrange for manufacture of smaller U. S. machines in Canada.

The plane generally considered most suitable for manufacture here is the Consolidated B-24. But this is powered with Pratt & Whitney engines. These engines are currently the most difficult of all engines to obtain in the U. S. and there are grave doubts as to whether the U. S. authorities would permit any release to Canada of engines for that purpose.

There are apparently equal difficulties in obtaining British engines, even if there could be assurance that such engines could be brought here safely and in quantity.

Tank Programme

The tank programme is taking definite shape. In addition to 150 Mark III infantry tanks now being made to British specifications in the C. P. R. Angus shops at Montreal, Canada has decided to order on its own account 1,100 cruiser tanks of the type designed jointly by Britain and the United States.

The cost of the entire tank programme is placed at about $100 millions and production of the latter tank will probably be given to Montreal Locomotive Co., subsidiary of American Locomotive, which is responsible for work on production of the same tank in U. S. A. Production is to be scheduled at the rate of two a day.

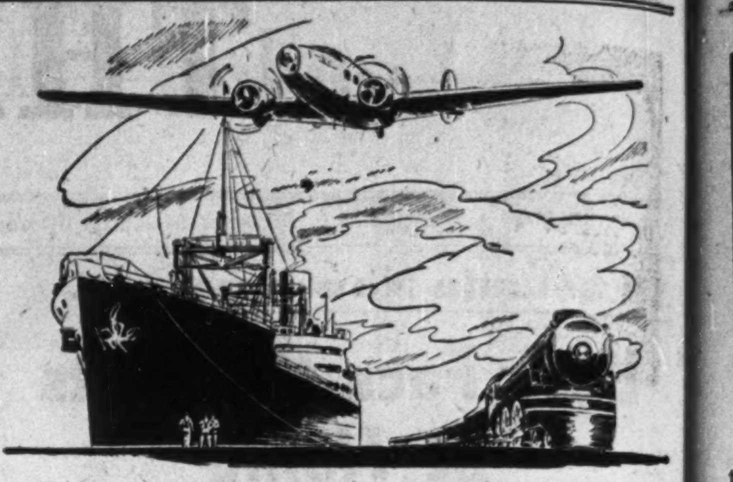
Originally 3,000 of these tanks were to have been made in Canada, of which 2,000 were for British account. The British have now decided to place this order in the U. S.

Aircraft Problem

Mr. Howe declared that the delay in Federal Aircraft production does not imperil the Air Training Plan. It is notable that Hon. C. G. Power, at a press conference on Jan. 31, made the same statement, though he chose his words carefully. He said: "I have it on the assurance of Mr. Howe that sufficient machines will be available."

Mr. Howe announced that some skilled workers are being brought from Britain to Canada and he anticipated that this movement would increase. He also forecast a steady cutting down of production of luxuries and "borderline" products, as plant and machinery was switched over to war production.

The inside view at Ottawa, very definitely, is that Mr. Howe has not yet realized the extent of the public dissatisfaction with his Department—particularly with respect to aircraft—and the extent to which this dissatisfaction is shared by some of his senior officials.



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King Commits Canada To Maximum Effort

Prime Minister's Declaration for All-Out Contribution From Dominion Seen at Ottawa as Major Extension of War Policy

From Our Own Correspondent

OTTAWA.—The war programme announced by Prime Minister Mackenzie King early this week embodied two features regarded here as of major importance:

1. For the first time since the outbreak of war, the Canadian Government has declared that the maximum war programme possible for this country is to be undertaken. This declaration is specifically said to have been approved by the British Government.

2. The increases in Canada's previously announced programme are confined to the army and navy. While making a small demand in man power, the army changes especially will be very costly.

Mr. King's declarations that our programme is now geared to the limit are found in these words:

"It represents a co-ordinated effort based upon Canada's utmost productive capacity . . . To do these things, and to continue the work already in hand, will tax Canada's productive capacity to the limit."

New Plan

The new programme makes no change in the Empire Air Training Plan.

It foreshadows the continued expansion of the Navy along lines already laid down.

It adds to the Army establishment for service overseas one armored division to cost $75 millions and one tank brigade to cost $30 millions. Both figures are for the fiscal year 1941-42 and will expand in later years.

The immediate effect of the new programme will thus be to increase the cost of the army in 1941-42 by $105 millions.

Troop Dispositions

Important changes in troop concentration were also announced. The Third Division, now in the Atlantic region, will go overseas to join the First and Second Divisions under Lieut-Gen. A. G. L. McNaughton.

This will leave in Canada, the Fourth Division (now fully formed) and the infantry battalions of a fifth division. This could be completed as a division by the addition of ordnance, artillery, army service corps and other units.

In terms of man power, the increase is not great. It is estimated that some 40,000 men will be needed for reinforcements for the divisions overseas and to fill out the armored division and the tank brigade. Of course, if the war opens up, additional men would be needed to replace casualties. The maximum, however, is placed at 80,000 men.

Equipment Needs

No detail on the equipment required for an armored division or a tank brigade is forthcoming. But the Government will not necessarily rely upon Canadian production. If Canadian production is available, well and good. If not, British-made equipment will be used.

An armored division is the last word in mechanized war. It is a unit or its own which can operate as a unit or in co-operation with infantry. It will be attached to the Canadian corps but could operate separately if need be. It is equipped with a variety of fast-moving tanks and other mechanized equipment.

A tank brigade is equipped with infantry tanks and works with infantry. This brigade will form a part of the Canadian corps and will work with it.

Air Training Unchanged

Mr. King's reference to the Air Training Plan caused many people to believe that the plan was being doubled. Careful reading of the text, plus enquiries in official quarters, shows that there is no increase. Everything that Mr. King says will be done with respect to air training will be done in carrying out the existing plan. There is no increase in obligations at all.

The most surprising statement in this connection is that the airdrome construction this year will be equal in extent to that of last year. It was generally understood that the construction programme had been virtually completed last summer. But this, it appears, is not true. There is enough work still to be done to duplicate last summer's estimate.

The announcement that 25 new squadrons will be formed in Britain merely means that Canadian graduates from the training plan will be kept together in squadrons which as Mr. King said, will be equipped and maintained by the United Kingdom.

Order Banning Mail To U. S. Banks Lifted

The post office order prohibiting mail from Canada being sent to the National Bank of Detroit and the Bank of America, San Francisco, has been rescinded.

It is believed the Canadian authorities satisfied themselves that the two institutions would not act as agents in the transfer of money from Canada to enemy countries. Fear that they would do so was the original reason for the ruling, it is understood.

Cancellation of the order was done in two stages. First, mail from the Canadian chartered banks was allowed through and then mail from the general public.

Ault & Wiborg Sales Increase

(Continued from page 1)

largely imported through Japanese-controlled sources. "Polymerol," which can be substituted for some 80% of the uses to which tung oil is put, is made from Canadian raw materials entirely. Chief materials for this and "Kolzol" are linseed oil and soya bean oil.

Canada has hitherto imported roughly two million pounds of tung oil annually, the present price being 33 cents per pound against 20 cents for "Polymerol." Capacity of the Canadian plant is some six million pounds annually, the plant having been designed with an eye to the Empire export market.

Saves Exchange

"Kolzol" is a slow-drying oil used as a substitute for rape-seed oil formerly imported from Manchuria, also under Japanese control. Rapeseed oil is used in lubricating oils and greases to add to the spreading qualities of the lubricant. Canadian and U. S. refineries are already using the new substitute.

Prior to the appearance of "Polymerol," the only available substitute for tung oil was dehydrated castor oil. Since this product had to be imported, the company views its new product as an important new step in conserving the Dominion's foreign exchange, as well as providing new markets for agriculture.

NEW AIR MINISTER

S. L. de Carteret, vice-president of Canadian International Paper Co., has been appointed Deputy Minister for Air. He succeeds James S. Duncan, Toronto, who has returned to private business, where he is president of Massey-Harris Co.

Weekly Record of Financing in Canada

SALES BY MUNICIPALITIES, PROVINCIAL AND DOMINION GOVERNMENTS

Municipal—	Date Issued	Sold to	Rate	Due	Amount	Price	Yield
East York, Twp. of	Jan.	Cochran, Murray & Co. and Syndicate	3%	1942-47	$439,000	98.07	....
Lethbridge, Alta.	Jan.	James Richardson	4½%	1942-61	36,733	98.07	....
Winnipeg, Man.	Jan.	Privately	3½%	10-yr.	930,000	....	....
McKim Twp., Ont.	Jan.	Privately	4½%	1946-50	3,883	....	....
Dominion—							
Canada Treasury Bills			....	May 2, '41	35,000,000	99.844	.626%

OFFERINGS OF CORPORATIONS AND FOREIGN SECURITIES

Bond Issues—	Date Issued	Offered by	Rate	Due	Amount	Price	Yield
Newfoundland Light & Pwr.	Jan.	Royal Securities Corp.	5%	..	$300,000	....	....
Century Mining Corp.	Jan.		6%	1945	*100,000	100	....
Stock Issues—							
M. R. A. Holding	Feb.	Eastern Securities	6%	1st Pref.	500,000	†25	....

*Collateral trust certificates $33,700 taken up by shareholders, balance offered publicly; with bonus of 100 shs of common with each $100 certificate.

†Plus accrued dividends from Feb. 1.

LORD LLOYD

London Calling

By Atticus

Postwar Importance of Dr. Benes, Gen. de Gaulle and Lord Lloyd Looms Large in Present Situation

DR. BENES

LONDON.—When this war is over there is going to be a rich field for publishers.

There will be more than one volume to be written on the exiled Royalties, Ministers and soldiers who have come to London from the occupied territories of Europe. They look and breathe and eat like normal men, but they live in the twilight of destiny. Whether they ever really live again will depend upon a British victory.

General de Gaulle was a guest of honor at a public gathering recently, and like so many distinguished Frenchmen made no attempt to speak in English.

The General is good-looking and young for his years, slim, tall, quiet and unsmiling. Glancing at him it is hard to realize that he was four times wounded in the last war, and went through the subsequent Russo-Polish campaign with Weygand. It is odd that he will not attempt to speak English, for his father was a professor of our language at a college in Paris. But the French are like us. Each has a stubborn weakness for the mother tongue.

• • •

Map Remaker

There is no accounting for the personalities that influence the fate of nations. De Valera has nothing in common with the heroes of Irish politics but a sombre and tenacious memory. Hitler, the protagonist of Prussian military domination, was never more than a sign-painter in uniform. Churchill, a lord of language, is leading a nation that reverences understatement. Therefore I was interested to study Dr. Benes when he spoke in public last week.

Here is a man who played an enormous part in breaking up the Austro-Hungarian Empire and in frustrating any plan to create a second one. There he stood in Central Europe, diverting the tides and maintaining the integrity of the Czechs against every threat. How did he do it—with a masterful personality or the gift of inspired oratory? He looks like a businessman who became a professor. His voice is thin and high-pitched. I do not know his secret, yet he rewrote the map of Central Europe and influenced the destinies of two generations.

• • •

Leader of Lords

(Editor's Note: The following tribute to Lord Lloyd was received only a few days before his sudden death this week.)

The appointment of Lord Lloyd as Government Leader in the House of Lords will be received with enthusiasm among his friends in the Conservative Party. It is always good to meet him. His figure is a reproach to his contemporaries, his zest for life is unimpaired by the years of indifference shown to him by successive Governments, and he feels no bitterness toward those who despitefully use him. It would be wrong to assume from this that the Bombay tiger has become a Bombay duck, for he has kept his vitality in perfect repair, and I even suspect him of retaining a dream or two of Empire.

He recently concluded a cultural pact between Britain and Greece, the first convention of its kind ever reached by this country. The two signatories were the late General Metaxas and Sir Michael Palairet, our Minister in Athens. The idea is that after the war there will be mutual facilities for the students of both countries to acquire the language and cultural lore belonging to the other. The plan was first broached early in 1939 when Lord Lloyd, as Chairman of the British Council, made the suggestion to General Metaxas while visiting Athens.

At the moment, of course, Lord Lloyd is Secretary of State for the Colonies, but keeps a paternal eye on his propaganda child, the British Council.

• • •

Off to America

There were two complimentary luncheons to men about to leave for the North American continent. The Pilgrims honored Lord Halifax, and the occasion was graced by the presence of Lord Derby as chairman and of the Prime Minister, who proposed the principal toast. Mr. Churchill was in good form despite his herculean labors, and Lord Halifax once more gave his hearers the homely feeling that he was talking to them in his library.

The other function was a private one given by Mr. Vincent Massey to speed the Canadian Minister of Munitions and Supply, Hon. C. D. Howe, on his homeward journey. It will be remembered that Mr. Howe's ship was torpedoed on the way to this country, and that he had a grim experience with that old devil sea. It is only accurate to record that he shows absolutely no marks of his unpleasant ordeal.

I shall not betray Mr. Massey's hospitality by quoting any of the speeches—first because the affair was private, and secondly because there were no speeches. Now this seems odd, for Canadians have a passion for listening to oratory and indulging in it. Perhaps Mr. Massey looked around and ruminated that with Mr. Eden, Mr. Bevin, Mr. Greenwood, Captain Margesson, Lord Cranborne, and Captain Balfour present it would be dangerous to unleash the hounds of political eloquence. Mr. Howe has a forthright, strong personality, and looks like a man who would enjoy taking decisions.

• • •

Great Man Dies

The evil that men do lives after them but the good is not always interred with their bones. Lord Baden-Powell was a soldier who left an enduring heritage to civilization. The Boy Scout movement was his answer to the natural militarism and adventurousness of the very young. It created comradeship and respect for authority but its goal was better citizenship. In every sense of the word his conception girdled the globe.

"B.-P." was the seventh son of the Rev. Baden-Powell, Savilian Professor of Geometry at Oxford, and perhaps it was his membership of a large family that gave him his idea of the much larger family later on. He was a distinguished if not a great soldier, and his conduct of the defense of Mafeking in the Boer War was a masterpiece of ingenuity and determination. All that is dimmed, however, by the great youth movement that he gave to humanity, a movement in tune with all that is best and healthy in boyhood, and never prostituted to a megalomaniac's political ambitions.

Let us hope that when it is possible, his remains will be brought to rest in the Abbey among those who have enriched the nation that gave them birth.

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The Post Bag

Exercise

There is not much chance for dollar-a-year men either at Ottawa or Washington to get enough exercise.

The other day when William S. Knudsen, chairman of O.P.M., was leaving the British Air Commission offices, someone offered to help him on with his coat.

He replied, "Please don't do that. It's the only exercise I get nowadays."

• • •

Oxford Pamphlets

Are we fighting Hitler or the German people? A new Oxford Pamphlet on "The Origins of War," by E. L. Woodward, throws light on the question.

Hitler, Mr. Woodward says—and demonstrates—is the creature and not the creator of the German nationalism which justifies every act of bestiality and bad faith in the interests of greater German power.

For more than a hundred years, Mr. Woodward's survey shows, certain dominant tendencies in German intellectual life have been hostile to the German and Christian way of thought.

Three other worth-while pamphlets in the series (which sell for 10 cents each) are:

"South Africa," by E. A. Waler.

"The Arabs," by H. A. R. Gibb.

"What Acts of War Are Justifiable?" by A. L. Goodhart.

• • •

They Mean the Same

The English language presents some rich variations throughout the Empire.

Here in Canada the Minister of Finance talks about an "all-out" war effort.

"Down under," in Australia, the Federal Treasurer promises an "all-in" effort.

• • •

Need Cash?

One of Canada's wealthy men the other day received a letter from a finance company offering him help with any financial problem. Specifically suggested was a loan on his car that he could repay to suit his budget over a term as long as 15 months.

With taxation as it is, the recipient of this offer felt that perhaps he might yet be needing to borrow money on his car. But he thought the finance company was just a little anxious about anticipating that fact.

• • •

Conversation Piece

Perfect example of "non sequitur" from the Australian News Letter:

> "Mr. Noel Coward visited Australia at the invitation of the Commonwealth Government 'to do what he could for the war effort.'
>
> "He shook hands with 794 women and 21 men at his first public appearance in Sydney."

• • •

War vs. Fog

Here is an extract from a letter received by Inland Printer, Chicago, from the managing director of a large printing house in Nottingham, England:

> "You may not believe it, but my time clock would prove it, that in spite of many, many air raid warnings that may have meant sitting up far into the night and early morning not one of my work staff has been late in the morning. When sirens have gone during a lunch hour they have been back at the appointed time.
>
> "The first time many of them were late was a few days ago when we had a real pea-soup fog. That is excusable as traffic moves but very slowly."

Apparently it isn't the war but the weather that disturbs the routine of the British workmen.

War Finance Conference May Come Before Spring

From Our Own Correspondent

OTTAWA.—As a result of the failure of the Dominion-provincial conference, a political crisis of undisclosed magnitude is rapidly developing.

As the pattern of events swiftly unfolds, it is evident that the Dominion as well as several of the provincial governments gravely miscalculated the consequences of failure. So true is this that new moves to reassemble a conference on problems of war finance may be expected within six weeks.

Can't Go Back

The general belief that the failure of the conference would simply result in the Dominion and the provinces reverting to the preconference position has now been proved wrong—disastrously wrong. And although it is early to write with confidence, it seems true that the penalty of ignoring the storm signals now flying will be internal, economic strife on an unprecedented scale—a condition that would cripple our war effort and imperil national unity.

As the conference recedes and the consequences of failure begin to emerge, the broad outline of the situation now confronting Canada—with its menacing pressures and rigid parochialisms — becomes clearer.

The root cause of the impending crisis is the war. This war requires all the power in men and materials which Canada can summon. And unless the Dominion Government puts the war first and resolutely ignores all other demands, the war effort must suffer.

War Effort Hit

It was to enable the Dominion to go all out for the war with a minimum of damage to the provinces that the conference was called. The Sirois report recommends a plan which would enable both these ends to be achieved. But the conference was wrecked because the premiers of three provinces would not consent to the consequent redistribution of taxation.

Two of the three—Mr. Hepburn of Ontario and Mr. Aberhart of Alberta—suggested that the disastrous consequences of failure could be averted by inflation—by paying for the war, in part at least, with paper money. No other alternative to the Sirois plan was advanced.

To understand what is now happening it must never be forgotten that in the closing hours of the conference Hon. J. L. Ilsley declared that because of the war and regardless of whether the conference failed, the Dominion must cease giving aid to the provinces for unemployment relief and debt maturities and interest charges. The Dominion, he said must further invade provincial revenues derived from income and corporation tax, widen the invasion to include succession duties. The Dominion might also have to ration gasoline which, still further, would impair provincial revenues.

Mr. Ilsley's position will be understood when it is realized that he is faced with a 1941-42 budget of about $2,000 millions—four times the normal budget—and that it will continue soaring upward so long as the war lasts.

There is no going back to preconference conditions: that door is locked and bolted. It is possible for the wealthy provinces to say: "Never mind us, go ahead."

But the weaker provinces cannot say this and it is right here that the pressures induced by the failure of the conference have begun to crack the structure of national unity.

The weaker provinces will be crucified by the Ilsley programme and they are now being heard from.

So far Manitoba is the only province to make a public pronouncement. But there are other provinces weaker than Manitoba. Information received at Ottawa indicates that these others, Saskatchewan in particular, will go at least as far as Manitoba, probably farther.

Threaten Reprisals

Premier Bracken, in a radio broadcast on Monday, Jan. 27, declared that Manitoba expects the Dominion to implement the Sirois report regardless of the protests of Ontario, British Columbia and Alberta. Unless this is done, Manitoba will adopt reprisals. The vital passages in Mr. Bracken's speech are:

> "It was the Premier of Ontario who led in the obstruction of this (Sirois) plan. Now the Province of Ontario is the chief beneficiary of Confederation. From its industries we in this part of the world are provided, at prices enhanced by the Canadian tariff, with most of the manufactured goods we buy.
>
> "Its automobile companies sell its cars at prices $200 to $300 or more above what is charged for cars of like value in the United States. Its insurance companies collect from us adequate insurance premiums for fire and life insurance protection and then lend us back these premiums under mortgages and debentures at adequate rates of interest. Its implement companies sell us at adequate prices their farm machinery. Its bank and loan companies lend us at adequate rates of interest large sums of money.
>
> "If then, under these circumstances, we are to be denied such reforms as those recommended in the Sirois report, the only logical course for us to take is to reduce to a minimum the amount of business we do with these concerns."

The same treatment, he went on, would be extended to Alberta and British Columbia.

Invisible Tariffs

Mr. Hepburn's reply to Bracken was to bitterly assail the Prairie Provinces as a sink hole for Ontario's money—a speech eminently miscalculated to assist in keeping the revolt within bounds. Premier Pattullo was equally, though less abusively critical of Mr. Bracken.

Provided a provincial legislature is determined to impose invisible tariffs in the form of license fees, special taxation, etc., there is no power at Ottawa except the War Measures Act to stop it. If such a method were even tried, a political crisis would ensue which almost certainly would wreck the Government and usher in a period of political instability at the very moment when strong government is essential.

Mr. Bracken's outburst is deeply regretted at Ottawa and has been roundly condemned in eastern newspapers. But Ottawa agrees that it is impossible to drive home this criticism for the reason that Manitoba is definitely, perhaps mortally, hurt by the war policy of the Government. The wrecked conference does not leave Manitoba as it was: far from it.

Rally to Manitoba

The financial experts here are inclined to think that despite the elimination of federal aid and the invasion of tax revenues, Manitoba could barely scrape through. But it is admitted that other provinces, less wealthy than Manitoba—Saskatchewan in particular — cannot hope to get by. And that these provinces will rally to Manitoba in demanding some kind of war settlement which will enable them to carry on essential services goes without saying.

In the face of this situation, easily the most menacing which has arisen since the outbreak of war, the Dominion Government is being driven to consider the calling of a new conference. If necessary, to save the faces of the dissenting premiers, the conference could be called to deal not with the Sirois report, but with problems of war finance. In the end, this would make no difference since some solution along the lines of the Sirois recommendations would be inevitable.

Precipice by Summer

How long a move of this kind can be postponed will depend upon the speed with which the revolt develops. Manitoba will not face the precipice until midsummer.

Meantime, the Dominion itself cannot revert to the preconference position of helping the provinces because the Dominion already has declared that this can only be done at the price of a reduced war effort. And the Dominion has no intention of using the War Measures Act as the binder of Confederation.

City Gas & Electric Asks Set Assessment

From Our Own Correspondent

MONTREAL.—City Gas & Electric Corp. will apply to the next session of the Quebec Legislature for permission to pay real estate taxation upon a fixed value of $20,000 to the city of Three Rivers.

How one busy executive "stepped up" his personal efficiency

● Mr. R.........., an extremely capable business man, found that much of his time and attention were being diverted by personal investment matters. He finally decided to have the Crown Trust Company take over the management of his investments. An arrangement was made whereby we could not only manage his investments, but also would pay the income to his aged mother and a sister, whom he was supporting. Thus, with a stroke of his pen, he freed his mind of many worries — to the immediate benefit of his business.

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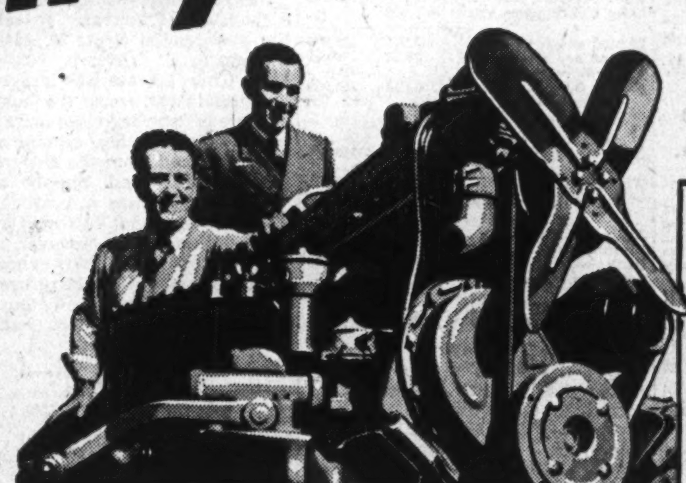


THERE are two ways you can go about engineering an automobile.

You can get right down to the tough job of building better, livelier, abler performance *into the engine*—or you can fiddle around with expedients that seem to do the job.

Buick engineers have concentrated their 1941 creative thought on providing greater and more flexible power *in the engine itself.*

They have done this through FIREBALL design and Compound Carburetion — and what they've accomplished for you boils down to this:

You get more power—from the same-size engines as last year—power that gets you off like a bullet and sweeps you up a hill like a fighter plane "going upstairs."

You get more mileage—from all Buick engines and at all speeds—as much as 10% to 15% more miles per gallon and the benefits of overdrive in "high."

You get easier car handling—less gear changing from a tremendous power reserve on hills and in traffic.

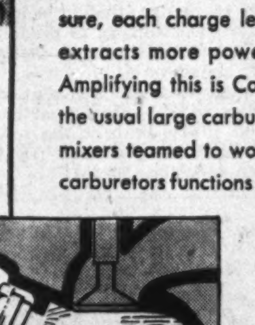
You get greater safety—from quick pick-up that lifts you surely out of tight spots, and from the full and immediate braking power of your engine.

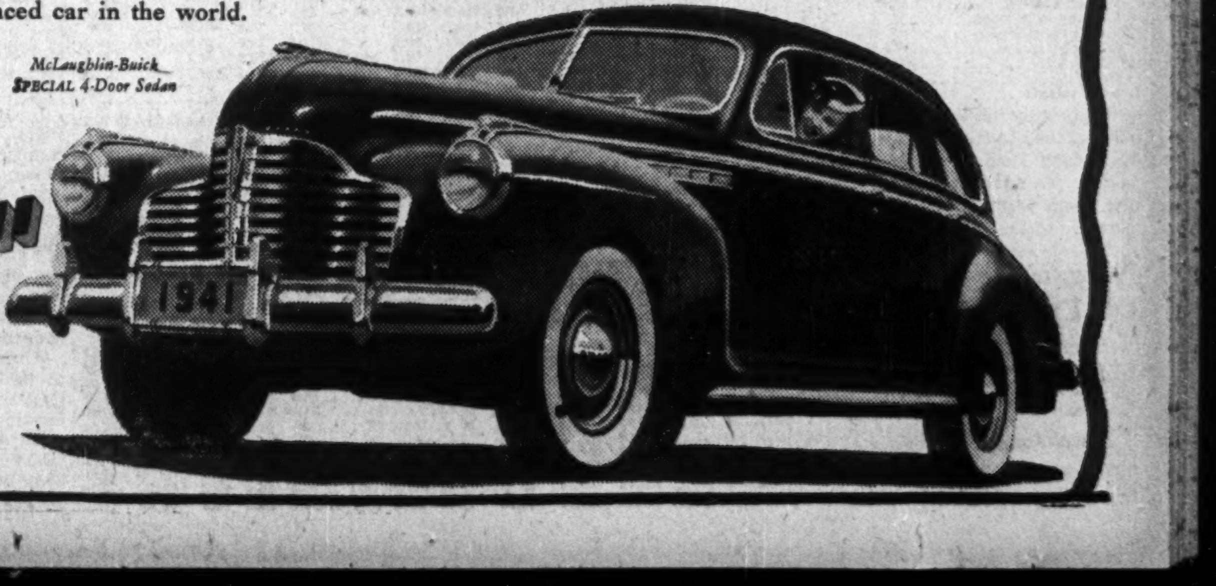
You get more dependability—from a chassis that is clean, simple and direct in design — uncluttered by intricate mechanisms that are hard to service and difficult to repair.

Look ahead! You'll appreciate the wisdom of investing in a Buick—the most advanced car in the world.

NUTSHELL PICTURE
of Today's Most Powerful Standard-Production Engine

Basic source of power in the Buick engine is the FIREBALL design which compacts the fuel charge into the shape of a flattened ball around the spark. Fired from its heart under higher compression pressure, each charge lets go with heavier wallop that extracts more power from each charge of fuel. Amplifying this is Compound Carburetion, in which the usual large carburetor is replaced by two smaller mixers teamed to work together. Only one of these carburetors functions in normal driving. The other cuts in automatically whenever it is needed to provide extra power, shuts off when the need is past. Result: Actually more power from less gasoline.





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A GENERAL MOTORS VALUE

Investment Trends

Sagging Prices Hint Test of June Lows

Threatened War Crisis Appears Chief Cause of Weakness — Suggestion Made That Market May Soon Provide Buying Opportunity

Much has been heard recently of an approaching crisis in the war and it has undoubtedly played a major part in the weak action of stock markets over the past week or two. But there has also appeared from a few sources the suggestion that this period of weakness in stock prices offers a buying opportunity for those willing to accept the risks admittedly involved during wartime.

Effect of the dramatic events of this war on investment psychology has rarely followed predicted lines. Right at the beginning, the declaration of war—an event as well publicized as possible for many months—brought an immediate sharp upward move in stocks. As the pattern of the economic organization for war unfolded, much of the early rise was lost but a substantial portion was retained.

The unexpectedly easy victory of Germany over most of Europe last spring caught most people unaware and brought a near-panic type of collapse.

Now for some weeks we have been hearing of the difficult situation faced by the British Empire, particularly in its need for materials from the United States and near disappearance of available resources with which to pay for them. We hear also mentioned the expectation that Germany will shortly make a desperate effort to invade the British Isles.

• • •

Where Markets Stand

How does all this affect investors? The answer—in so far as it can be written in advance—seems to hint that much of Britain's financial and economic plight, as well as the long-expected German invasion attempt, must have been discounted by stock markets already.

As for the British financial problem, the remedy seems to be the hotly debated lease-lend programme of President Roosevelt, a project which is expected to carry through Congress with only minor changes.

As for the invasion attempt, these well-advertised affairs seldom develop as forecast in wartime but the time has apparently been set for the next 90 days. If it comes, the invasion attempt should be decided within a comparatively short period. It will be fierce but—we all expect—successfully repelled.

• • •

Background for Investment

Reasoning along these lines, and keeping in mind the fact that general business activity on this continent is at record levels and likely to continue so, some observers are departing from their formerly aloof attitude toward stocks and suggesting that current weakness provides an opportunity to buy.

This opinion is still far from universal but it is spreading. It does not suggest that actual bottom for the current decline has yet been seen. Rather it suggests that the major market influence, which is still the war, may be shaping for a decisive move which will be felt within the 90-day period already mentioned.

Stock price indexes in Canada are not very far above the lows of last June. At the close of Feb. 4, the Toronto industrial share index was less than seven points above the low of 86 hit on June 27, last. The Montreal industrial index was less than three points above its low of last June. The New York Dow-Jones industrial share index was about 10 points up from the same low point.

It is quite probable that a real test of these lows will be experienced during this critical period. If they hold the basis should be laid for a worth-while upward recovery.

• • •

New Base Period

A new base period has been adopted by the Dominion Bureau of Statistics in computing its security indices. The year 1926 has been discarded as a base and in its place an average of the five years 1935 to 1939 inclusive substituted. The monthly indices on the new basis are to be made available back to the beginning of 1935.

It is stated that the change does not involve any new method of calculating the indices but it is argued that "the new base provides an average of prices substantially above depression lows in the years 1930-33, and at the same time gives a representative prewar reference level."

The same change has been made in indices of both bond prices and yields as published by the D. B. S.

Until the complete figures are available back to 1935 it is not easy to make comparisons of stock price moves over any substantial period and certain difficulties will be met in a long-term study going back very far. Effect of the changed base period is shown in comparing the old and new indices for the week ended Jan. 9. How this works out is shown by the following table:

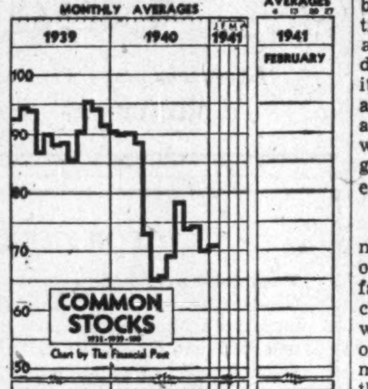
(Week Ended Jan. 9, 1941)

	Old Index	New Index
95 common stocks	78.5	71.5
68 Industrials	121.9	67.0
Machinery & equip. ...	97.1	77.6
Pulp & paper	15.3	75.8
Milling	61.5	72.6
Oils	104.0	52.2
Textiles, clothing	77.4	114.9
Food & allied prod. ...	158.9	99.0
Beverages	132.6	105.7
Building materials	119.9	86.2
Indust. mines	292.5	72.2
19 Utilities	39.4	78.1
Transportation	14.5	61.5
Telephone & teleg.	119.8	102.0
Power & traction	50.9	76.6
8 Banks	77.9	95.4
25 Mines	115.5	80.6
Golds	88.5	75.2
Base metals	228.1	91.3

Apparently the D.B.S. has concluded that the old era which took as its measuring stick the year 1926 has ended. This era carried us through the boom of the 1920's and the depression of the 1930's.

Norgan New President Of United Distillers

George W. Norgan, formerly vice-president, was elected president of United Distillers of Canada following the recent annual meeting. Albert L. McLennan, formerly secretary, has been appointed vice-president and secretary. Other officers and directors were re-elected.



Investment Notes

Canadian General Electric — Among contracts awarded by the Department of Munitions and Supply for the week ended Jan. 17 were seven to this company for a total of $657,177. Added to previous contracts announced of $598,873, this makes a total of $1,256,050 awarded to the company since July, 1939.

• • •

National Steel Car — Additional aircraft orders awarded to the company in the week ended Jan. 17 amounted to $1,890,000. This brings aggregate contracts announced for National Steel Car by the Government to $9.9 millions.

• • •

Dunlop Tire — Department of Munitions and Supply has granted the company $157,325 for capital expenditures to its Toronto plant.

• • •

U. S. Steel.—Canadian holdings of common ranked second to the Netherlands at the end of 1940 among all foreign holders with 101,160 shares. The Canadian total compares with 105,527 at Sept. 30 last and 114,726 at the end of 1939. Netherlands investors held 305,124 shares at Dec. 31, 1940, against 305,134 shares at Sept. 30 last, and 321,624 at Dec. 31, 1939. United Kingdom investors held 44,558 shares at the end of 1940 against 46,112 at Sept. 30 and 252,731 at Dec. 31, 1939.

• • •

Brazilian Traction—First-hand information, brought from Brazil by R. A. McEachern of The Post editorial staff, indicates that no matter what action Brazil might take regarding confiscation of United Kingdom properties, Brazilian Traction, as a Canadian company, is safe. For further details see special Brazil article by Mr. McEachern on page 11.

Higher Costs Foreseen By Blue Ribbon Corp.

Difficulties in obtaining raw commodities and in finding fair substitutes for unobtainable commodities were commented on by J. M. deC. O'Grady, president of Blue Ribbon Corp., in a letter accompanying recent dividend cheques. Volume is being maintained against rising expenses in all departments, the president states, and it is hoped that prices can be adjusted upward to keep more closely in line with higher costs.

Government regulations, taxes and restrictions are so numerous and so subject to change, that it is impossible for the company to predict the final results of business being done, it is stated.

The president's letter was sent to shareholders with the third quarterly dividend of 62½ cents on the preferred stock for the present fiscal year which ends June 30, 1941.

C.G.E. APPOINTMENTS

H. M. Turner, comptroller of Canadian General Electric Co., and J. C. Macfarlane, K.C., head of the company's law and patent department, have been appointed vice-presidents of the company.

Market Opinions

Current comment on moves of the stock market in the United States draw attention to the all-important influence of the war on price trends.

Brookmire Counselor, N.Y.—The line of least resistance has been downward in the stock market, and the character of the news will obviously influence the immediate trend; but the basic expansive forces continue to show their potency in the active state of business, and the defense programme is still to exert its full generative force. A judicious attitude appears to be to remain alive to the dangers besetting the world, yet keep stock portfolios geared to the armament-stimulated expansion.

• • •

Barron's N.Y. (The Trader)—By now the existence of a stock market overwhelmingly influenced by war factors has to be recognized. . . . The chief danger to guard against, it would seem, is a too valiant espousal of the belief that capitalism is permanently undermined, since this at the bottom is a fear complex comparable with the lack of faith in British resistance, which last year proved so completely erroneous.

• • •

Barron's, N.Y. (The Dow Theorist)—The primary and secondary trends both continue down under the Dow theory. It would take an advance by both averages above the highs made in November to change this interpretation. For the present, the thing to watch for is where resistance develops on the current decline.

• • •

Financial World, N.Y.—The present situation does not suggest that any broad liquidating movement of the proportions of a bear market is in immediate prospect.

• • •

Business Week, N.Y.—There is always to be considered the fact that the Street fears the United States is headed for war. Then, too, the outlook for corporate profits is obscured by tax uncertainties; the prospect of higher labor costs and sporadic strikes; and the chance of smaller margins, due to rising raw materials squeezing up toward more or less regulated prices on fiinshed goods.

Steel of Canada Pays 'Arrears'

Dividend Equalizes Payments on Capital Stock —Backlog is Heavy

From Our Own Correspondent

MONTREAL. — All dividends on ordinary and preferred shares of Steel Co. of Canada have been equalized, with payment of an additional $2 a share on the ordinary stock Feb. 1.

It will be recalled that some years ago the management raised the dividend on the preferred stock from $1.75 to $2 a share. This was contested by some of the ordinary shareholders. The matter was taken to court by mutual agreement. The courts ruled the rate on the preferred could not be increased until an equal amount of dividends had been paid on the ordinary stock. These "arrears" amounted to some $10 a share. Payment has not been obligatory, but earnings have permitted this action.

As a result of the equalizing dividend, it is now permissible for the directors to increase the rate on the preferred if they think it desirable. At the same time the ordinary stock shares equally with the preferred in any dividend over and above $1.75 a share declared on the preferred.

Steel Capacity Expanded

In his quarterly statement to the shareholders, Ross H. McMaster, president, stated, after referring to dividend payments, that the company's basic steel production had been expanded slightly over 50% above that of the previous year. Practically the entire tonnage was manufactured into marketable products for war and civil needs at the various finishing plants of the company which, says Mr. McMaster, makes the record still more outstanding.

Since the first of the year, he added, operations have proceeded at capacity and the heavy tonnage of unfilled orders promises a steady continuance.

The company's new plate mill is approaching completion and it is hoped will be in operation by the end of March.

Subject to approval of the shareholders, the directors have authorized out of the profits of the past year, a payment of $300,000 to the Trustee of the Pension Fund. Continuing the policy adopted a year ago, the directors also authorized the distribution to each employee on the payroll an amount equal to one and a half week's wages. Combined with the special distribution at the same rate made in July last, the total payment for 1940 will be equal to three weeks pay.

Brazilian Profits Up in December

Total for 1940 Down $200,000 — Trend Upward Since July

Net operating earnings of the Brazilian Traction, Light & Power Co. for the month of Dec., 1940, continued to show an improvement over the corresponding month of the previous year. Improvement began to show in July, the first month in which 1940 monthly earnings were above the 1939 level, and has been continued in each month since.

The improvement in Brazilian's earnings is largely traceable to a betterment of Brazilian exchange rates, which had been delayed by loss of European markets which resulted from the war. Owing to the fact that Brazilian Traction earnings are converted into U. S. dollars at prevailing average rates of exchange, the reports of the company are sensitive to changes in milreis quotations.

Earnings Statement

December	1940 $	1939 $	Incr. %
Gross op. earn.	3,356,618	3,014,361	11.34
Oper. exps.	1,641,531	1,490,935	10.10
Net oper. earn.*	1,715,087	1,532,426	11.95
12 Mos. end. Dec. 31:			
Gross op. earn.	37,737,986	37,199,350	1.45
Oper. exps.	18,601,618	17,864,752	4.13
Net oper. earn.*	19,136,368	19,334,598	†1.03

Converted into dollars at average rates of exchange. All figures subject to final adjustment.

Temporary rates for certain services continue in effect pending determination of permanent rates.

†Decrease. *Before depreciation and amortization.

Company Reports

Cockshutt Plow

Cockshutt Plow Co. reports net profits for the year ended Nov. 30, 1940, equivalent to 78 cents a share on its common compared with 19 cents a share for the previous year. No dividends have been paid since May, 1931.

Chief balance sheet changes are a rise in accounts receivable after writing off $278,000, a gain of about $770,000 in inventories and a rise in bank loans of about $460,000. The company has no liabilities ahead of its common stock except these bank loans. Doubtful European accounts have been liquidated in the write-off mentioned.

Cockshutt's share of profits of Brantford Coach & Body Ltd., for the past year was $45,725, no part of which is included in the former's accounts.

The company has appropriated $165,000 from earned surplus to add to contingency reserve, bringing this item up to $600,000.

Consol. Income and Surplus Account Years Ended Nov. 30

	1940 $	1939 $
Operating profit	1,018,691	666,486
Add: Brant. Coach int.	10,656	12,266
Gross earnings	1,029,347	678,752
Less: Exec. remun. ...	29,076	26,351
Directors' fees	3,400	1,600
Legal fees	......	976
Bank interest	157,291	169,588
Depreciation	192,703	213,377
Loss on assets	6,304	2,429
Uncoll. accts. w/o ..	278,312	194,006
Income taxes	126,247	13,250
Net profit	236,014	57,175
Add: Prev. surplus ...	332,317	275,142
Less: Contingency res.	165,000	......
Earned surplus fwd. ..	403,331	332,317
Earned per Share	$0.78	$0.19
No dividends paid.		
Shares O/s., n.p.v. ...	300,678	300,678

Working Capital

	$	$
Current assets	7,464,349	6,597,603
Current liabilities ...	3,204,798	2,538,532
Working capital	4,259,551	4,059,071

Balance Sheet Changes

	$	$
Accts. rec., less res. ..	3,328,041	3,200,712
Inventories	3,991,310	3,222,526
Bank loan	2,609,000	2,147,000
Contingent reserve ..	600,000	435,000

Maritime Tel. & Tel.

Maritime Telegraph & Telephone Co. reports that 1940 was the most active year in the history of the company. Gross income increased over 1939 by $241,589 to $2.3 millions. Operating expenses increased by $67,507 to $1.3 million and Dominion taxes by $167,221.

Although increased taxation absorbed 70% and operating costs 28% of the increased gross income, net income for the year was practically the same as that for 1939.

The large increase in demand for telephone service required large additions to plant and equipment at Halifax, and Sydney. Further additions will be undertaken in the current year, particularly in the Halifax area. Industrial activity at Amherst, Truro and New Glasgow areas has resulted in increased demand for telephone services in these areas. Additional plant facilities will be required here also.

Most long-distance telephone facilities are operating near capacity.

Estimated gross plant expenditure in 1941 will be approximately $1.2 million, with a net addition to fixed assets of $925,000.

Income and Surplus Account Years Ended Dec. 31

	1940 $	1939 $
Operating revenue ...	2,322,655	2,086,024
Less: Oper. expenses .	1,304,819	1,237,311
Net oper. rev.	1,017,836	848,713
Add: Other inc.	4,074	8,448
Less: Taxation	397,759	230,004
Bond interest	170,000	170,000
Other interest	5,020	3,291
Amort. of debt. disct.	11,949	11,949
Net profit	437,182	436,959
Less: Dividends	411,940	407,780
Surplus for year	25,242	29,179
Add: Prev. surplus ..	150,944	143,337
Inc. tax adjust.	67	......
Less: Inc. tax adjust.	......	21,572
Surplus forward	176,253	150,944

Working Capital

	1940 $	1939 $
Current assets	730,409	593,725
Current liabilities	526,972	333,613
Working capital	203,437	260,112

Sawyer-Massey

Sawyer-Massey Ltd., experienced a "substantial increase" in sales in the year ended Sept. 30, 1940, according to C. J. Harris, vice-president. This increase was largely due to special war work the company undertook "at very close margins of profit." In addition, certain orders were obtained from the Department of Munitions and Supply which "failed to produce a profit."

"It is hoped that further Government orders will be received in the current year and that, when the company's operations have been adjusted to this new type of business, the results will reflect improvement," says Mr. Harris.

Profit and Loss Account Years Ended Sept. 30

	1940 $	1939 $
Gross profit	53,131	52,839
Less: Expenses	48,200	55,003
Executive salaries	9,400	9,050
Legal fees	155	260
Operating loss	4,624	11,474
Add: Bond & other int. .	52,654	54,209
Depreciation	35,413	35,829
Less: Conting. reserve ..	92,691	101,512
Balance	......	......
Add: Previous deficit ...	490,606	490,606
Deficit forward	490,606	490,606

Working Capital

	$	$
Current assets	459,148	357,368
Current liabilities	712,909	729,485
Excess curr. liabs. over curr. assets	253,761	372,117

Catelli Food

Catelli Food Products Ltd. reports operating profit of $308,128 in the year ended Nov. 30, 1940, compared with $285,305 in the preceding year. After greater provision for depreciation and taxation, net profit declined to $118,615 from $179,105 in the preceding year. This was equivalent to $3.10 on the preferred stock and $1.96 on the common in 1940, compared with $4.67 and $3.27 in 1939.

In 1940 dividends of 50 cents a share were paid on the common, compared with 75 cents in 1939 and 50 cents in 1938.

The balance sheet at Nov. 30, 1940, reflects completion of the company's new plant in Montreal. A bank loan of $300,000 and a call loan of $50,000 are shown at the end of the year. Net fixed assets increased $454,439 to $2.3 millions as a result of the acquisition of this plant.

Aime Geoffrion, president, states in the annual report that demand for the company's product in the domestic market has been steadily increasing and there were important shipments abroad during the year. This latter outlet is now temporarily closed, but the company expects the market will be reopened when shipping facilities are available.

Following are comparative financial statements for 1940 and 1939:

Income and Surplus Account Years Ended Nov. 30

	1940 $	1939 $
Operating profit	308,128	285,306
Less: Exec. sals.	27,301	26,671
Directors' fees	4,150	1,900
Legal fees	45	365
	276,632	256,370
Add: Invest. rev.	4,619	7,971
Secs. sale prof.	1,478	4,302
Non-oper. inc.	6,602	3,583
	289,331	272,226
Less: Depreciation ...	80,001	50,267
Non-oper. exp.	14,715	5,807
Income tax	76,000	37,047
Net profit	118,615	179,105
Less: Pref. divds.	28,780	29,058
Common divds.	22,951	34,426
Surplus for year	66,884	115,621
Add: Prev. surplus ..	140,705	91,685
Prior adjusts.	3,153	1,133
Less: Prior adjusts. ..	8,710	......
Invest. secs. res. ...	......	18,201
Conting. prov.	......	30,000
Approp. for pref. purch.	......	19,533
Surplus forward	202,032	140,705

Working Capital

	1940 $	1939 $
Current assets	538,491	618,250
Current liabilities ...	607,763	241,099
Working capital	*69,272	377,151

*Excess of current liabilities over current assets.

Canada Dry

Canada Dry Ginger Ale Inc. reports net income for the three months ended Dec. 31, 1940, first quarter of the company's current year, equivalent to 78 cents a share on its common, compared with 53 cents a share in the corresponding quarter of 1939.

Net income of the company's Canadian subsidiary, included in the consolidated accounts, amounted to about 9.8% in 1940 and 14.4% in the 1939 period of the total consolidated net income. This is stated in U. S. dollars converted from Canadian at the official Canadian rate of exchange and at prevailing average monthly rates of exchange for the periods ended Dec. 31, 1940 and 1939.

Consolidated Income Account Three Months Ended Dec. 31

	1940 $	1939 $
Gross sales	5,701,105	5,111,791
Less: Returns & allow.	159,413	157,111
Net sales	5,541,692	4,954,680
Less: Cost of goods ..	2,730,816	2,634,124
Gross profit	2,810,876	2,320,556
Less: Expenses	2,165,759	1,956,741
Interest paid, etc. ...	6,884	1,807
Income taxes	160,801	76,266
Add: Other credits ...	3,468	41,831
Net income	480,900	327,573
Note:		
Deprec. charged	107,933	92,045
Earned per Share	$0.78	$0.53
Shares o/s., $5 par ...	615,157	615,157

Standard Clay

Financial statements of Standard Clay Products Ltd. for the year ended Dec. 31, show total income of $92,189 and net profit of $21,310, both figures the highest since 1931. Net profit in 1940 compares with a net loss of $1,001 in 1939, and is equivalent to earnings on the common stock of $2.81 a share.

C. S. Trotter, president and managing director, states in the annual report that volume of business was considerably increased during the year, attributable mainly to drainage work done at Air Force training centres being constructed in connection with the Empire Training Scheme.

Income and Surplus Account Years Ended Dec. 31

	1940 $	1939 $
Net earnings	92,189	55,036
Less: Depreciation	31,392	28,563
Bond Interest	27,474	27,474
Income tax	12,013	......
Net profit	21,310	*1,001
Less: Prev. def.	15,367	14,366
Surplus forwarded	5,943	*15,367

*Loss or deficit.

Working Capital

	1940 $	1939 $
Current assets	341,123	269,002
Current liabilities ...	31,920	8,960
Working capital	309,203	260,042

Balance Sheet Changes

	1940 $	1939 $
Cash	88,007	19,928
Accts. rec.	73,473	37,102
Inventories	179,643	211,970
Accts. payable	15,858	6,637

Biltmore Hats

Annual statement of Biltmore Hats Ltd. for the fiscal year ended Nov. 30, 1940, shows a drop in per share earnings from $1.24 in 1939, to $0.97 in 1940, largely as a result of doubled income taxes. A decline of some $12,000 was shown in working capital, but inventories jumped approximately $130,000 to $422,430. Inventories are carried at less than replacement cost.

Debentures outstanding were reduced $15,000 during the year as a result of redemption of the 1940 instalment of the serial issue. Another instalment of $15,000 falls due May 31, 1941.

Earnings per share were 97 cents in 1940 against $1.24 in 1939. Dividends of 85 cents and 62½ cents respectively were disbursed in these two years.

Income and Surplus Account Years Ended Nov. 30

	1940 $	1939 $
Total earnings	161,641	169,811
Less: Directors' fees	100	100
Exec. remun.	26,192	28,533
Legal fees	265	51
Depreciation	13,441	13,926
Deb. interest	5,912	6,438
	115,731	120,763
Less: Income taxes	38,320	21,178
Net profit	77,411	99,585
Less: Common divds.	68,000	50,000
Surplus for year	9,411	49,585
Add: Previous surplus ..	287,006	237,296
Prior inc. tax	......	125
Less: Prior inc. tax	3,880	......
Loss re sale invest. ...	25	......
Surplus forward	292,512	287,006
Earnings per Share		
Common: Earned	$0.97	$1.24
Paid	0.85	0.62½

Working Capital

	1940 $	1939 $
Current assets	628,051	520,994
Current liabilities	211,311	92,305
Working capital	416,740	428,689

Other Balance Sheet Changes At Nov. 30

	1940 $	1939 $
Cash	200	11,692
Inventories	422,430	292,540
Bank advances	67,507	......
Accounts payable	100,105	65,877
Tax reserve	43,699	21,177
Debentures o/s	145,000	160,000

Northern Trusts

Northern Trusts Co., Winnipeg, reports net profit of $17,672 for the year ended Dec. 31, 1940, compared with $37,615 in 1939. This is equivalent to 59 cents a share compared with $1.25.

Entire net profit was credited to surplus account, no dividends having been paid since Feb. 1, 1932. Surplus account at the end of 1940 amounted to $165,601.

Earnings Record

Year	Paid-up Capital & reserves $	Net profit $	Div rate $	Rate earned per sh. $
1936	1,097,435	15,965		0.53
1937	1,042,162	21,346		0.71
1938	910,247	17,130		0.57
1939	903,754	37,615		1.25
1940	915,505	17,672		0.59

Liabilities to Public As at Dec. 31

	1940 $	1939 $
Guaranteed funds	814,392	958,532
Trust funds	513,701	568,631
	1,328,093	1,527,163
Secured by:		
Liquid assets	5,391	2,419
Mtges. & sale agmts.	1,322,702	1,524,744
Other net assets*	1,081,106	1,051,683
	2,409,199	2,578,846
Estates	14,268,921	14,641,802

*Investment reserve, amounting to $315,505 in 1940 and $303,754 in 1939, not deducted.

Can. Foreign Invest. Plans to Reduce Capital

From Our Own Correspondent

MONTREAL. — Canadian Foreign Investment Corp. shareholders will hold a special general meeting on Feb. 20 to consider a by-law recently adopted by the directors.

This by-law calls for reduction of the company's capital by cancellation of 12,034 shares of preferred stock which have been purchased and redeemed by the company.

If the by-law is confirmed, the authorized share capital will consist of 7,966 8% cumulative preferred shares of the par value of $100 each and 75,000 no par value common shares, all of which will then be outstanding.

Significant Investors' Index Numbers

No. of Securities	Mach. and equip. 8	Pulp and paper 7	Milling 3	Oils 4	Textiles and clothing 10	Food and allied prod. 12	Beverages 7	Bldg., mater. 15	Power and traction 15	Banks 8	Total utilities 19	Total co's. 95
(Base 1935-39=100)												
1929-39:*												
High	345.7	564.5	322.3	212.5	168.2	123.2	163.1	202.1	297.5	160.9	329.3	180.7
Low	68.5	49.8	63.6	46.5	76.0	79.9	67.0	71.2	68.2	84.6	68.4	64.0
1940:												
Monthly Figures:												
Jan.	107.4	122.0	116.5	78.2	128.0	113.9	107.9	108.3	92.3	103.3	90.7	90.9
Feb.	103.8	116.5	116.0	79.4	134.4	114.6	106.8	105.5	90.8	103.0	89.9	90.2
Mar.	107.2	114.0	113.7	78.0	135.4	115.6	107.9	105.3	92.0	104.0	93.4	90.3
Apr.	105.9	122.4	113.0	74.1	135.7	115.0	109.9	105.2	93.2	102.4	93.4	88.4
May	82.0	81.1	91.5	62.6	119.3	102.7	94.0	83.2	78.3	97.4	78.2	73.3
June	74.5	65.2	74.1	50.3	104.2	89.7	85.2	74.3	70.8	91.3	71.0	65.5
July	73.5	69.2	79.1	50.8	110.4	90.8	91.0	73.5	70.9	85.5	70.4	66.1
Aug.	78.7	76.2	80.6	52.4	114.0	93.5	95.9	77.5	73.2	88.1	73.6	69.3
Sept.	85.5	82.1	95.5	60.7	121.4	101.6	99.5	87.0	77.2	82.9	78.0	75.8
Oct.	84.0	80.1	93.5	56.2	120.8	101.4	99.5	88.9	76.9	91.9	77.0	74.2
Nov.	86.0	82.6	81.4	54.5	121.5	100.7	105.8	91.2	76.2	92.7	78.2	74.5
Dec.	78.6	76.7	75.2	48.7	116.8	99.6	106.5	87.6	75.6	94.6	76.4	70.3
1941:												
Weekly Figures:												
Jan. 9 ..	77.6	75.8	72.6	52.2	114.9	99.0	105.7	86.2	76.6	95.4	78.1	71.5
Jan. 16 .	78.9	76.2	72.6	53.0	113.0	96.7	104.9	86.0	76.5	95.0	78.5	72.6
Jan. 23 .	77.5	73.8	71.2	50.9	110.4	95.2	102.9	83.5	74.5	94.5	76.6	71.0
Jan. 30 .	76.0	71.5	72.1	50.7	108.8	94.7	101.4	81.4	73.2	93.6	75.2	70.0
Mo. ago .	76.5	76.2	74.5	49.2	116.2	97.8	109.2	86.6	76.6	95.7	77.6	70.6
Yr. ago .	104.4	117.5	112.6	76.6	129.7	113.4	106.2	105.8	92.6	103.4	90.1	89.4

*High and low for year from 1929 to 1940 inclusive are based on weekly figures compiled from figures issued by Dominion Bureau of Statistics.

Toronto Stock Exchange Index

	20 Indust.	20 Golds	10 B.M.	15 W.O.
Feb. 4	92.82	101.50	64.51	19.95
Feb. 3	94.28	101.57	64.88	20.16
Feb. 1	95.67	102.86	66.01	20.30
Jan. 31	96.50	103.5[illegible]	66.17	20.43
Jan. 30	96.02	103.31	66.30	20.31
Jan. 29	97.16	104.26	66.43	20.61
Month ago ...	101.15	108.28	67.59	20.92
Year ago	121.17	119.46	82.73	30.78
High 1941	103.48	109.76	69.33	21.62
Low 1941	92.82	101.13	64.29	19.95

Montreal Stock Exchange Average

	10 Util.	20 Ind.	30 Cbd.	10 Pprs.	15 Golds
Feb. 4	51.2	58.9	56.3	67.67	72.24
Feb. 3	51.3	59.8	56.9	67.36	77.08
Feb. 1	51.4	60.4	57.4	69.20	77.70
Jan. 31	51.7	61.4	58.1	70.94	77.70
Jan. 30	52.1	61.7	58.5	71.02	77.93
Jan. 29	52.7	62.0	58.9	72.88	78.46
Month ago .	54.1	65.0	61.4	81.09	78.97
Year ago ..	68.0	86.4	80.3	136.13	94.86
High 1941 ..	54.3	66.4	62.3	82.25	79.99
Low 1941 ..	51.3	58.9	56.3	67.36	72.24

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Labor Pact Concluded By Canada Steamships

From Our Own Correspondent

MONTREAL.—Canada Steamship Lines and seven other Great Lakes operators have recognized the Canadian Seamen's Union, and have entered into an agreement with that organization.

The agreement is reported to provide for recognition of the Canadian Seaman's Union as sole bargaining agency for all unlicensed personnel carried by the companies, wage increase of $10 per month for wheelsmen, oilers, and $7.50 a month for all other categories, along with other terms.

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NOTICE OF CALL FOR TENDERS FOR THE ASSETS IN CANADA OF

FEDERATION NATIONALE DES JOURNAUX FRANCAIS

The Custodian of Enemy Property, by virtue of the authority vested in him under Regulation 15 of the Consolidated Regulations Respecting Trading with the Enemy (1939), has issued an order for the winding-up of the business carried on within Canada by the Fédération Nationale des Journaux Français, and has appointed the undersigned Controllers of the assets in Canada of the above named firm with instructions to call for Tenders for the purchase of the undernoted assets:

"HIGH FINISH REGULAR WHITE NEWSPRINT"

Manufactured by St. Lawrence Paper Mills Ltd., Three-Rivers, Que., quantities as follows:

	Number of Rolls	Measurements	Gross Weight	Net Weight
Parcel A	240	171½ cms	255,191 lbs.	251,591 lbs.
Parcel B	709	86½ cms	385,738 lbs.	377,230 lbs.
	949		640,929 lbs.	628,821 lbs.

Tenders will be received by the undersigned Controllers at their offices up to noon (Daylight Saving Time) on the tenth day of February, 1941, upon the following terms and conditions:

(a) Tenders may be made for one of the said parcels or both as a whole.

(b) A certified cheque to the order of the Controllers for 10% of the tender price must be enclosed therewith; the balance of the tender price to be paid on acceptance of the tender by the Controllers; subject to the condition that should the tenderer not fulfill the terms of this offer and the conditions of this present Notice calling for Tenders, his tender will be cancelled and the amount deposited by him forfeited to the Controllers as liquidated damages. Cheques in respect of unaccepted tenders will be returned in due course.

(c) The newsprint as above described is located at Three-Rivers, Que., in Harbour Shed "C." Arrangements may be made with the Controllers for the inspection of the assets, during office hours any day up to noon (Daylight Saving Time) on the tenth day of February, 1941.

(d) Tenders should be made f.a.s. Three-Rivers, Que., which in this present case shall mean as the newsprint stands at present in Harbour Shed "C." Storage and insurance charges will accrue to the Purchaser or Purchasers from the date on which each tender is accepted.

(e) The assets are offered for sale without any warranty whatsoever on the part of the Controllers as to weight, size, condition or state of repair of such assets, and the sale thereof shall be made in each case subject to shortages and overages, the shortage to be at the charge of and the overage for the benefit of the successful tenderer.

(f) Neither the highest nor any tender will necessarily be accepted.

(g) The Purchaser or Purchasers shall pay all transfer dues and taxes, if any, payable to the Crown.

(h) The envelopes enclosing offers shall be marked "Tender" and addressed as follows:

SAMSON, KNIGHT & COMPANY
Controllers of
The Assets in Canada of
Federation Nationale des Journaux Francais,
71 Peter Street, Quebec, Que.

Bond Markets

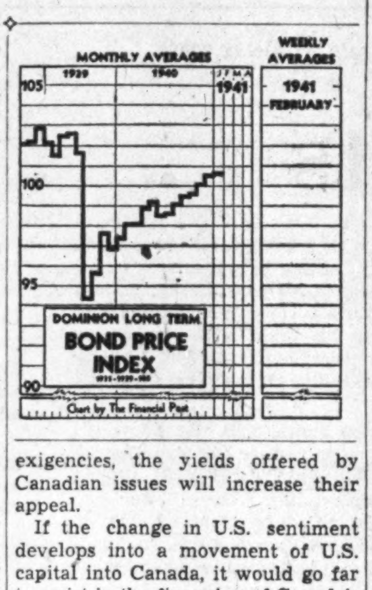
Will Lease-Lend Bill Revive U.S. Buying?

Bill Smoothes Canadian Problems But Invasion Fears Restrain Optimism — High Yields Attract U. S. Investors

Since the Dominion entered the war, Canadian Government bonds have been frequently available in the New York market at yields of 4½ per cent. and higher. From the Canadian point of view, these yields appear high in relation to the 3 to 3½ per cent. rates accepted by Canadian investors on the same securities. Compared with the 2 to 2½ per cent. which U.S. investors receive on better grade domestic municipal issues, the disparity is more pronounced.

Because of the higher yield available on Canadian securities, hopes of a major movement of United States capital into Canadian issues have appeared periodically.

Recently there were signs that U. S. investors were paying more attention to the Canadian bargain counter. A prominent American investment counsel service gave voice to the sentiment by recommending Canadian purchases, and a trickle of buying brought a moderate strengthening of prices. But the trickle has not yet given signs of growing to flood proportions.



From the standpoint of investment experience, there appears to be little ground for American mistrust of Canadian issues. Interest and dividends payable to U.S. investors have been regularly met and the exchange rate has held at the present level for more than a year. In the past, the Canadian dollar has always found its way back to par, although in 1934 the recovery was largely effected by the revaluation of the United States dollar.

* * * *

U. S. Joins Up

Regarded as marking the entry of the United States at least into the economic war, the Lease-Lend Bill is reported to have improved U.S. investment opinion as to the future of Canadian securities. The improvement has not found full expression owing to the prospect of an invasion attempt and the frank disclosure of the exhaustion of Britain's funds in the United States. Presumably the failure of an invasion would unleash buying power at present withheld.

Ultimate form of the bill and the developments that will take place as it or a kindred bill is put into effect are still beyond prediction. Interpreted conservatively, it appears to guarantee that Canada will be preserved from a foreign exchange crisis. Greater industrial activity appears certain for the United States, and with it an increase in purchases of Canadian commodities, although a parallel increase in Canadian activity would cancel some of the net advantage that would accrue to the Dominion.

* * * *

In the Same Boat?

From the U.S. investor's standpoint, entry of the United States into the economic war may be expected to bring many of the higher tax problems and inflation perils that have caused him to be sceptical of Canadian securities. The proposal to remove the tax-exemption from future U.S. federal bonds is a case in point. Should this measure be carried through as a result of war exigencies, the yields offered by Canadian issues will increase their appeal.

If the change in U.S. sentiment develops into a movement of U.S. capital into Canada, it would go far to assist in the financing of Canada's war effort. Some of the more drastic forms of exchange control might be avoided and the way for post-war readjustment would be proportionately smoothed.

* * * *

Municipals Improve

Refunding of $439,000 of East York Township debentures on April 1, 1941, will bring the coupon rate of part of this Toronto suburb's debt down to 3 per cent. from the 4½ per cent. rate struck a little over a year ago when the township's finances were reorganized. As a result of anticipating capital charges on its debentures, total debt of the municipality will be some $390,000 lower by April 1 than it was at the end of 1939.

The new debentures are of the installment type, maturing annually from 1942 to 1947 on April 1. The new low rate reflects the improvement that has taken place in the shorter term issues of this and other municipalities of the "dormitory suburb" class. Neighboring York Township has just called $421,000 for redemption and Scarborough Township, already five years ahead of its principal requirements, is expected to follow suit in April.

When these municipalities were reorganized, tax arrears were regarded as a long term asset which would probably take years to liquidate. Increasing employment has resulted in declining relief rolls and better collections, with the result that these municipalities have been able to anticipate maturities, thus in effect shortening the term of all their outstanding obligations.

Officials of the Ontario Department of Municipal Affairs are still inclined to view the improvement in East York and kindred municipalities conservatively. In the supervised municipalities at least, there does not appear to be any tendency to let what may be a temporary windfall lead to premature tax reductions. In the opinion of these officials, tax arrears in reorganized municipalities are essentially part of the security behind the municipality's debentures, and not a nest-egg for the taxpayers.

* * *

Bond Index

The D.B.S. index of long-term bond prices based on the years 1935 to 1939, remained unchanged at 100.7 in the week ended Jan. 30, 1941. Average for the week was 2.5 points above the corresponding week of 1940—

DOMINION OF CANADA
Long-term Bond Index

	Weekly average Jan. 24-30	Preceding week Jan. 17-23	Weekly average year ago
Price	100.7	100.7	98.2
Yield	96.5	96.4	101.7

Mortgage Bonds Called By Randolph Hotel Co.

From Our Own Correspondent

MONTREAL. — Randolph Hotel Co., Kingston, Ont., has called for redemption all its 6½% 20-year first mortgage sinking funds bonds on May 1. The bonds are to be redeemed at 105, plus accrued interest to redemption date. Bonds are to be surrendered to the Montreal Trust Co., Montreal, or at the Canadian Bank of Commerce, Montreal, Toronto or Kingston.

The bonds are dated Nov. 1, 1927, and maturity date was Nov. 1, 1947. At May 31, 1939, there was $146,000 of the issue outstanding. The company has entered into a private refinancing arrangement.

Bond Tenders

Feb. 11, Village of Rockcliffe Park, Ont. —$16,200, 3½%, due Feb. 1, 1942 to 1956.

Foreign Exchange

During the week Jan. 28 to Feb. 3 there was no change in the quotation to the United States dollar at Toronto and Montreal, which was $1.10 for buying and $1.11 for selling. The sterling rate likewise was unchanged at $4.43 buying and $4.47 selling. The rate is published daily by the Foreign Exchange Control Board.

Other Currencies, Feb. 3

Australia	3.58	N. Zealand	3.61
India	.3369	S. Africa	4.47
Japan	.2608	Hong Kong	.2663

Classified Advertisements

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FEATURES
in the February issue
THE CANADIAN CHARTERED ACCOUNTANT
Judgment respecting auditors
Grain Hedging and Speculation
Income and cost adjustments
Rowell-Sirois Report not dead
Claims for depreciation on war contracts
Accountancy profession in Great Britain

Published monthly. $3.00 per annum. Subscription open to all. A. H. Carr, Editor, 10 Adelaide Street East, Toronto.

Dosco Pig Iron Output Expands

From Our Own Correspondent

MONTREAL. — Sydney steel plant of Dominion Steel and Coal Corp. established a record output of 395,000 tons of pig iron during 1940, according to returns of the Dominion Bureau of Statistics. This contrasted with 259,000 tons the year before, an increase of 52½%.

At the end of the year the company was operating three stacks with a daily capacity of 1,200 tons.

Gair Co. Meetings Slated for Feb. 28

Shareholders to Consider Reorganization Plan—Earnings Good

Court of Chancery of the State of Delaware has approved the terms and conditions of the proposed reorganization of Robert Gair Co., it is announced.

Benjamin N. Brown, appointed special master, has called a meeting of preferred shareholders to act upon the plan Feb. 28, at Wilmington, Del. The company has called a special meeting of all shareholders for the same date to act upon an amendment to the company's certificate of incorporation and certain other matters in connection with the plan.

Robert Gair reports profit of $530,625, before payment of interest on its income notes, for the nine months ended Sept. 30, 1940. The 3 months ended Sept. 30, last, resulted in net profit before interest of $92,720. The Canadian subsidiary reports net earnings of $163,971 for the nine months, after provision of $302,000 for Dominion and provincial income and excess profits taxes. These earnings, which are not included in Robert Gair figures, are in Canadian dollars and do not include the Canadian company's share of profits of Dominion Envelope & Cartons (Western).

Jamaica Public's Earnings Higher

Net Income in 1940 Rises to $1.21 on Ordinary Shares

From Our Own Correspondent

MONTREAL.—Gross revenue of Jamaica Public Service Ltd. and subsidiary companies in 1940 amounted to $1.1 million, compared with $998,649 in 1939, an increase of $45,951, according to preliminary returns.

Taxes and operating costs showed a sharp increase, preventing this gain from being fully reflected in net earnings. Net income, after retirement reserve accruals totalled $230,965, compared with $203,678 in 1939. This was equal to earnings on the ordinary shares of $1.21 a share and $1.09, respectively.

Consolidated Income Statement

December:	1940 $	1939 $
Oper. revenue	109,597	91,515
Gross inc. after retire. acct.	42,686	28,459
Net income	34,412	18,324
Year end. Dec. 31:		
Oper. revenue	1,096,831	998,733
Gross inc. after retire. acct.	334,824	308,660
Net income	230,965	203,678

Bond Sales

East York Twp., Ont.

Sale of $439,000 in 3% installment debentures due Apr. 1, 1942-1947 inclusive, is reported by the Township of East York, Ont. Cost to the municipality is reported to be 3.55%. The issue was sold at 98.07 to a syndicate headed by Fairclough & Co., Toronto, other members of the syndicate being Burns Bros. & Denton Ltd. and Cochran, Murray & Co.

* * *

Treasury Bills

Latest sale of Dominion of Canada Treasury Bills has been effected at a price of 99.84411, a cost basis of 0.626%. The issue is for $35 millions and will fall due May 2, 1941. No increase in the outstanding total will result. Price of the present issue is an improvement over that of the preceding issue which sold for 99.84119, or a cost basis of 0.631%.

* * *

Lethbridge, Alberta

City of Lethbridge reports sale of $36,753 in 4½% installment debentures to James Richardson & Sons. Debentures mature Jan. 1, 1942, to 1961 and were sold at a price of 98.07. Funds will be used for capital expenditures.

* * *

Winnipeg, Manitoba

Private sale of $950,000 in 3½% 10-year debentures is reported by the city of Winnipeg. The issue is understood to be for refunding purposes.

* * *

McKim Township, Ontario

Private sale of $3,884 in installment debentures is announced by McKim Township in Sudbury District, Ont. The debentures carry a coupon rate of 4½% and mature 1946 to 1950.

Bond Redemptions

Bond issues:	Rate	Year	Due	Price
Silverwood A	5%	1942-51	Mar. 25	103
Do., B	5%	1952	Mar. 25	101
Randolph Hotel	6½%	1947	May 1	105

C.N.R. Revenue Doubled in '40

Net of $45 Millions Compares With $20.9 Millions in 1939

From Our Own Correspondent

MONTREAL.—Operating revenue of Canadian National Railways System in 1940 totalled 247.5 millions, compared with $203.8 millions in 1939, an increase of $43.7 millions. Operating expenses of $202.5 millions were $19.6 millions higher than in 1939. Net revenue totalled $45 millions, compared with $20.9 millions in the preceding year, an increase of $24.2 millions.

In December, net revenue amounted to $6.3 millions, compared with $3.8 millions in December, 1939, an increase of $2.5 millions.

Operating Statement

December:	1940 $	1939 $
Oper. revenue	23,736,807	19,046,318
Oper. expenses	17,463,257	15,272,705
Net revenue	6,273,550	3,773,613
Year end. Dec. 31:		
Oper. revenue	247,527,225	203,820,187
Oper. exps.	202,519,813	182,965,768
Net revenue	45,007,412	20,854,419

Municipal Finances

Essex, Ont. — Reorganization of the Town of Essex finances has been approved by the Ontario Municipal Board. Holders of former debentures are to receive new 3¾% debentures of equal face value together with 10% of the interest arrears up to Dec. 31, 1940. Holders of debentures maturing prior to the end of 1940 will base their claims for interest arrears at contract rates to the maturity of their debentures, thereafter at 4½% to Dec. 31, 1940.

* * *

East York, Ont.—Preliminary figures for the Township of East York show that the number of relief recipients at the end of 1940 constituted 1.5% of the population against 9.8% at the end of the previous year. Collection of taxes, current and arrears, totalled 113.97% of the levy in 1940 against 107.5% in 1939. As a result the balance of arrears was reduced to $523,000 as compared with $686,000 a year earlier.

* * *

Winnipeg, Man.—Cash collections of the city's Hydro-Electric System showed an improvement of more than $100,000 in 1940 as compared with 1939. Total collections for the year were $3.96 millions against $3.86 millions in the previous year. Light and power collections rose some $90,000 in the period, while appliance sales were up $50,000.

* * *

Saskatoon, Sask.—Gross tax collections for 1940 were the highest in Saskatoon's history. Collections amounted to $1,754,000 against $1,743,000 the year before. The ratio of total collections to tax levy was 110.67% in 1940 against 104.26% in 1939. Since the 1940 levy was some $90,000 lower than in 1939, the improvement is somewhat less than the figures indicate. Total collections in 1938 were 94.76% of the levy.

Power Corp. Groups Output Off Slightly

From Our Own Correspondent

MONTREAL. — Power Corp. of Canada subsidiary and associated companies report a slight falling off in power output during December, production totalling 223.2 million kw.h., as against 223.7 million kw.h.

Canada Northern Power and Winnipeg Electric Co. recorded decreases; all the others increases. Particulars of the individual company outputs follow:

	December 1940 kw.h.	December 1939 kw.h.
Southern Canada	21,857,540	20,089,100
Canada Northern	62,435,766	65,497,581
East Kootenay	8,749,822	8,588,112
B. C. Power	63,331,572	56,180,548
North B. C. Power	1,188,948	1,058,236
Winnipeg Electric	65,637,300	72,316,200
Total	223,200,948	223,729,777

Public Utility Earnings

National Light & Power Co.

11 Months Ended November 30	1940 $	1939 $	Incr. %
Oper. earnings	571,724	542,834	5.32
Less: Oper. exps.	259,240	237,191	9.30
Oper. income	312,484	305,643	2.24
Add: Misc. earn.	12,217	8,700	40.42
Less: Depreciation	84,686	85,322	†0.75
Bond interest	128,473	120,966	6.21
Net earnings*	111,542	108,055	3.23

*Before income tax, amortization expense, other interest, etc.
†Decrease.

Times bond interest earned:			
Before deprec.	2.53	2.60	
After deprec.	1.87	1.89	
Output in kilowatt hours	31,652,763	27,235,948	16.22

East Kootenay Power

	December 1940 $	December 1939 $
Gross earnings	50,394	46,635
Operating expenses	19,430	17,481
Net earnings	30,964	29,154
Nine Months to Dec. 31		
Gross earnings	460,604	407,674
Operating expenses	156,001	146,208
Net earnings	304,603	261,466

Mexican Light & Power

November	1940 $	1939 $	Incr. %
Gross earn.	769,613	713,810	7.82
Oper. exps.	628,331	517,577	21.40
Net earn.	141,282	196,233	*28.00
11 Mos. Ended Nov. 30			
Gross earn.	7,499,062	6,798,289	10.31
Oper. exps.	5,923,330	5,541,715	6.88
Net earn.	1,575,732	1,256,574	2.21

*Decrease.

OFFERINGS WANTED

Adirondack Foundries & S. shs.
Canada Life Assce. shs.
Col. Steamships 6% due 1954
Dunlop Tire Preferred
Fort Wm. Hotel Units.
Goderich Elevator shs.
Guaranty Trust shs.
Gypsum Lime 5½% due 1948
Internat. Util's. 3.50 & 1.75 Pref's.
McCormick's 4% due 1952.
Mt. Royal Hotel new Com. shs.
Reliance Grain Pref.
E. L. Ruddy Pref., & Bonds.
Trusts & Guar. New shs.

If you are considering selling any of the above please communicate with

PLAXTON, CHERRY & Co.
330 Bay Street TORONTO AD. 5801-6

Ontario Relief Declines 40%

$5.8 Millions Saved in 1940 — Welland Cuts Costs 75%

Relief costs for 26 Ontario cities were slashed 40.2% in 1940, according to a statement issued by Hon. N. O. Hipel, Minister of Labor and Public Welfare in the Ontario Cabinet.

The city of Welland had the greatest reduction, amounting to 75.5%, followed by Brantford with a cut of 57.3% and Sault Ste. Marie, with 56.3%. The total reduction for the 26 cities involved a saving of $5.8 millions, the aggregate for 1940 being $8.6 millions compared with $14.4 millions in 1939.

Itemized figures follow:

Relief Expenditures

City	1940 $	1939 $	Decr. %
Belleville	36,563	53,932	32.2
Brantford	166,160	388,896	57.3
Chatham	23,197	39,019	40.3
Fort William	75,181	157,254	52.2
Guelph	74,917	134,436	44.3
Hamilton	729,639	1,620,443	55.0
Kingston	60,284	120,433	49.9
Kitchener	82,967	147,352	43.7
London	282,287	468,830	39.8
Niagara Falls	133,643	262,096	49.0
North Bay	78,231	110,643	29.3
Oshawa	157,735	319,899	50.7
Ottawa	784,063	1,206,259	35.0
Owen Sound	24,760	45,333	45.4
Peterborough	65,831	131,148	49.8
Port Arthur	113,762	199,722	43.0
St. Catharines	161,015	288,461	44.2
St. Thomas	36,488	59,018	38.2
Sault Ste. Marie	67,422	154,339	56.3
Sarnia	40,130	58,646	31.6
Stratford	55,883	120,892	53.8
Sudbury	64,620	125,232	48.4
Toronto	4,586,682	6,888,226	33.4
Welland	19,898	81,084	75.5
Windsor	704,574	1,244,084	43.4
Woodstock	24,018	39,116	38.6
Total	8,650,150	14,464,591	40.2

Toronto Area Down 37%

Relief costs in the metropolitan district of Toronto fell 36.9% in 1940, Mr. Hipel states. Greatest improvement was shown by Toronto township with a reduction of 57.7%, New Toronto was second in the group with a cut of 53.7%. Figures follow:

Relief Expenditure

Municipality	1940 $	1939 $	Decr. %
Etobicoke twp.	73,926	139,249	46.9
Long Branch	34,725	72,304	52.0
Mimico	48,387	94,912	49.0
New Toronto	40,523	87,592	53.7
Scarboro twp.	174,475	320,744	45.6
Toronto	4,586,682	6,888,225	33.4
Toronto twp.	27,925	66,035	57.7
York twp.	684,104	1,196,362	42.8
York East twp.	248,726	511,741	31.4
York North twp.	87,077	147,684	41.0
Total	6,006,550	9,524,848	36.9

Internat. Utilities Order Extended

Exemption granted to International Utilities Corp. and Dominion Gas & Electric Co. from registering under the Public Utility Holding Company Act of 1935 has been extended to March 15, 1941. Original exemption was granted April 13, 1939, by the Securities & Exchange Commission, Washington, and was to expire Dec. 31, 1940. The present extension was granted by the commission as a result of the companies' petition.

War Commitments Soaring But Actual Payment Lags

From Our Own Correspondent

OTTAWA.—While the cost of war commitments soars high above the billion dollar mark, the actual cash outlay on the war remains relatively low.

As a result, every week the sum total of unpaid war bills mounts. This may be due partly to lags in deliveries, but it is becoming increasingly evident that some speedier system will have to be adopted by the Munitions and Supply Department if business firms are to be paid promptly by the Government for services rendered.

And until this is done, the treasury statistics on war expenditures will be all but valueless.

Commitments Expand

The pace of war expansion can be measured by two statements issued by the Munitions and Supply Department, the first giving detail up to Dec. 10, and the second as at the year's close. The figures compare as follows:

War Contracts Awarded

	Dec. 10 1940 — Millions of $ —	Dec. 31 1940 — Millions of $ —
Canadian acct.	591	671
British acct.	180	263
Air Train. Plan constr.	*	17
Capital Account:		
Candn. and Brit.	285	...
Brit. acct. only	...	154
	1,056	1,106

*Not given.

The capital account figure for Dec. 31 is obviously incomplete.

The statement says there has been a total capital "commitment" by British and Canadian Governments of $307,118,674 for "construction of plants and for plant equipment." Obviously this includes orders which either are not based upon contracts (work being done by one or other of the public corporations) or decisions to build which have not yet reached the contract stage.

Further Orders

In the week ending Jan. 4, the value of contracts awarded was $4,252,814. In the week ending Jan. 10, the total was $5,314,967 and in the following week, $92,860,324, including $55 millions of airplane contracts.

Thus as at Jan. 17, the grand total of contracts awarded, since the outset of the war, was $1.2 billion with more large items impending.

Only Half Spent

Against this total, the actual cash outlay on the war as at Dec. 31 was $595,371,678. Of this, $118 millions was spent from Sept., 1939, to March 31, 1940, and $477,371,678 from March 31 to Dec. 31 of last year.

But this by no means gives the measure of the gap between contracts and cash outlay.

The cash outlay figures include pay and allowances and the cost of transporting the fighting services within Canada and overseas. Expenditures on this account must have already exceeded $150 millions, since the annual payroll alone for the 215,000 men now on active service would run to that sum.

The actual gap between contracts awarded and contracts paid must now exceed $700 millions. As time passes and the system of payment is improved, the war expenditures must rise very sharply indeed. It will be surprising if the monthly outgo, which was $84 millions in December, does not rise above $100 millions per month before the end of the fiscal year.

Payments Lag

There is an obvious need to reorganize the accounting service and probably in some spheres to speed deliveries. Not only are business firms not being paid promptly for services rendered but the cost figures of the war are lagging so far behind the total of contracts awarded that they no longer represent reality.

Thus if you take the Government estimate of war cost of $940 millions given to Parliament last August, and contrast it with actual expenditures it is obvious that the estimate will not be reached. Yet if you look at contracts awarded—and much of the work must have been done — it is quickly evident that the estimate was not too high. If anything it was low.

$100 Millions Carryover

Taking contracts on Canadian account alone, and ignoring purchases for Britain and capital expenditures, the monthly tables show that contracts totalling $171,593,104 were awarded from August, 1939, to March 31, 1940. The cash outlay in this period as given in the budget of last June was $118 millions, which included pay and allowances and transportation as well as purchases. There must have been a carryover into the current fiscal year of about $100 millions.

Contracts awarded from March 31 to Dec. 31 totalled $499,965,687. Yet cash outlay for war was only $477,371,678 and when the carryover from 1939-40 plus pay and allowances and transportation this year are deducted, it is evident that the gap between expenditures incurred and payments made has greatly widened.

Can. Car Workers To Buy Fighter

From Our Own Correspondent

MONTREAL. — Following the lead of Lockheed workers at Burbank, California, who donated a bomber to the British Government, Canadian Car and Foundry Co. employees are calling for donations to buy one or more Hurricane fighters for Britain, Victor M. Drury, president, announced at a shareholders meeting.

The company is participating to an extensive extent in Canadian aircraft manufacture. At its Fort William plant it is turning out Hurricanes at the rate of 10 weekly and this figure will be increased to 20. Of its 16,000 employees, 6,100 are working on aircraft manufacture.

Bruck Silk Business Continues Expansion

From Our Own Correspondent

MONTREAL.—Business of Bruck Silk Mills Ltd. since the current fiscal year, which commenced Nov. 1, has continued upward, I. I. Bruck, president, told shareholders at the annual meeting. Domestic and export demand has improved.

Provision for income tax and need for working capital would prove a decisive factor in determining the company's dividend policy, Mr. Bruck stated.

Benjamin Liebel, New York, replaced Wallace B. Phillips, London, on the board of directors.

Internat. Utilities Earns $629,325

Net ordinary income of International Utilities for 1940 is reported at $629,325 by the S. E. C., comparing with a net profit figure of $631,950 for 1939 in the annual report of the corporation, which is not yet available. As at Dec 31, 1940, cash in banks and on hand amounted to $2.2 millions and net working capital to $3.2 millions against $2.4 millions in the 1939 balance sheet.

Payment of the Feb. 1, 1941, dividend of 87½ cents per share on the $3.50 prior preferred stock of International Utilities Corp. has been approved by the Securities and Exchange Commission. Decision on the $1.81¼ dividend, which had been declared on the $1.75 preferred stock, has been reserved by the Commission.

Supplementing the permission to purchase $294,000 par value of Dominion Gas & Electric bonds, of which $200,000 have been acquired, International Utilities is seeking permission to purchase a further $242,500 of the bonds. Taking into account the sums available from the previous authorization, the proposed purchase will require the use of $128,916 in treasury funds.

C. N. R. Seeks Tenders On $3 Millions of Cars

From Our Own Correspondent

MONTREAL.—Canadian National Railways is getting bids on approximately 725 freight and miscellaneous car units, including steel gondolas, ballast and refrigerator units.

Value of this initial programme for 1941 is placed at roughly between $2.5 millions and $3 millions.

An open message to Johns-Manville Employees*

WHILE the new year is still young, it is timely and important that we should take the measure of the big job facing all of us during 1941.

Because of the demands placed on every business and every citizen by our country in this critical time, our work is clearly cut out for us. We must contribute to the utmost of our ability to the national war effort.

Already, about one-third of all J-M production is demanded for war requirements. And this demand is growing daily. Some of it has been due to the increased need for J-M products for direct government projects. Some of it is the result of sales to expanding industries which use our products and are themselves working "all out" to fill war orders.

* * *

With every increased demand, Canadian Johns-Manville has stepped up production to meet it. Several departments, which have been most affected, are now operating up to seven days a week, 24 hours a day.

This is particularly true of our operations at Asbestos, P.Q. Here, our asbestos mine—which we can all feel proud of as the largest in the world—our mill and factory, are working steadily at top speed.

We of Canadian Johns-Manville should constantly keep in mind the *dual* contribution our J-M mine makes to Canada's win-the-war programme. Firstly, of course, it provides the basic raw material for many of our most widely used industrial materials. But secondly—and possibly of greater importance at this time—is the fact that asbestos mined here and exported to the United States aids our government in financing purchases of American-made war materials. *In 1940, these exports added millions of dollars worth of U.S. exchange to the Dominion's purchasing power.* So far as we can see, 1941 exports from the J-M mine will produce at least as many millions more.

* * *

As the coming weeks march by we will necessarily have to increase production more and more. This means we will have to find and widen out all the "bottlenecks" and increase the productivity of every machine. Through everything, we must remember that the policy of "business as usual" is shelved for the duration. Business cannot be conducted "as usual" in this emergency. War demands come first. This means co-operation by all of us, by management and by employees.

Naturally we shall be called upon to make sacrifices. Taxes will be heavier. Raw material and manufacturing costs will probably rise. We shall all have to bear the burden. We shall have to redouble our efforts to reduce waste and increase efficiency so that not only will we be able to deliver quality goods in record time, but also keep prices in check.

* * *

A word to each of you, individually: Some of you will feel the call to active service in the armed forces of Canada. To you, as to the many employees who have already answered the call, we say "Go ahead—and good luck".

To all of you, we would like to repeat the words of Prime Minister Winston Churchill, "The workers are soldiers . . . with different weapons". We can all do our bit by working just a little harder than we think we can work —*and by buying War Savings Stamps and Certificates.*

Your company most urgently asks you to save to the utmost, investing your savings in War Savings Certificates and Stamps. No better investment could be found . . . and Canada vitally needs every cent you can contribute.

**Although not directly engaged in the manufacture of munitions or armaments, Canadian Johns-Manville furnishes many products essential to industries so engaged. This message, from a bulletin issued to all J-M employees, is reprinted here to inform other Canadians in industry of the contribution of Johns-Manville jobholders to the common war effort.*

The Editorial Page . .

"Everything We've Got" For War

The war objective now being set for Canada by the Cabinet is a proud one. From now on, the measure of our war effort is to be everything we have to give.

The people of Canada support that objective of their government. They appreciate the frank portrayal of the situation by Mr. King and his ministers.

The average Canadian takes this attitude: "There is nothing I would not do if it will bring victory to our just cause."

That is the "war aim" of the Canadian people, their only war aim, to defeat Hitler and win us the right to continue to live our lives our own way.

Only a most thorough analysis of the statements of Mr, King and the other ministers can reveal the enormous burden we have, as a nation, voluntarily assumed. Four divisions overseas, one of them an armored division, will unquestionably have to be backed up by another two divisions at home. The production programme, including tanks, bombers and fighters and increased volume of shells and explosives, will have to employ a staggering total of manpower and dollars. The Air Training Programme was already of impressive size; speeding it up will take toil and sweat and dollars. The Navy is to attain numbers undreamed of for Canada. That cannot be done by day-dreaming.

Are the Canadian people capable of carrying through the programme? The Financial Post believes they are.

But its successful carrying out will call for the mobilization of the very last ounce of national energy. It cannot be carried through without vital changes in our daily life, to be effected through the the medium of taxation, borrowing and controls.

The Financial Post, further, shares the view of an increasing number of Canada's leading newspapers of national influence: that our war programme calls for equally far-reaching changes in Canada's war management. Mr. King still has not surrounded himself with the biggest men Canada can produce. He has yet to give sufficient authority to the best men he has taken to Ottawa. He carries in his Cabinet some men whose presence can not but slow up the war programme.

There is some effort at cohesion in policy at Ottawa, but not enough. There is some co-ordination in control, but not enough. There is some concentration of authority, but not enough. Quite frankly, we have not set up the executive group that can carry out our war programme as the people want it carried out.

The Financial Post does not say, and never has said, that Mr. King must go; that the Liberal Government must go; that there are no men of outstanding ability in the Cabinet, in the permanent service or among the dollar-a-year men. We do not demand a "union" government of all the parties.

What then is required? Two things are needed, and needed with such urgency that failure to get them will jeopardize our whole national war effort.

The first is an inner war cabinet composed of able ministers, entirely free from the petty routine of departmental responsibilities, and with time and facilities to plan our war effort as a well co-ordinated whole. We have a war committee of the cabinet but each member of it is overburdened with routine executive duties. They have little time to think out our war programme. In the result we have taken many false steps, perhaps are taking more today.

It is quite impossible to be certain of the soundness or success of a programme set up and handled by the existing machinery at Ottawa. The machine is one better equipped to improvise than to plan; to stumble, rather than to drive, ahead to the objective. If any reader thinks that statement is a slam at his own favorite politician, we regret it. But with the world on the verge of a final all-out thrust for power, it is madness to let personalities and peacetime political loyalties stand in the way of whatever major operation is necessary to get wartime results.

What a man's politics are, or whether he has any politics, is unimportant. We must draft our biggest men for our biggest jobs.

The second urgent need is for the appointment of a production chief for our industrial programme. There has been enough news filtering through the press of Canada in recent weeks about delays and conflicts in war production to make it clear that centralized control under an experienced industrial executive, entirely free from political responsibilities and duties, is pressingly needed.

We Canadians are prepared to sacrifice for victory. We are prepared to work for victory. We are prepared to lend for victory.

Let us now be prepared to organize for victory in order to make the work and sacrifice fully effective.

The Financial Post's Platform For War

1. *Strengthening cabinet leadership by drawing on Canada's best executive brainpower irrespective of political considerations.*
2. *An inner war cabinet, free from departmental duties, to plan the nation's war effort and to see that the plans are carried out.*
3. *Appointment of a non-political industrial executive with complete authority to organize and direct procurement of munitions and supply.*
4. *Pay-as-we-go policy to the very limit consistent with an all-out war effort.*
5. *Elimination of wasteful spending by public bodies or private individuals.*
6. *A national programme to deal with post-war employment and relief problems.*

Winning the war has become the focus, for all effort, national or personal, in Canada. It requires full mobilization of the nation's material and spiritual resources.

To the fullest degree, this should be achieved by individual effort, freely made.

Strong national leadership will inspire service and sacrifice. In turn this will reduce the need for regimentation and compulsion.

Canada Looks at South America

Ronald A. McEachern, who has for the past two months been travelling throughout South America, digging up information and writing articles for the publications of the Maclean Publishing Company, has returned to Canada. Several more of his articles will appear in The Financial Post.

The articles to date have presented a graphic picture of life and present attitudes in the important countries that Mr. McEachern has visited. Later, Mr. McEachern will deal more specifically with such matters as trade opportunities in the southern continent, the character of Canada's representation there, the "penetration" of Nazi influences and the views of South Americans vis-a-vis the war.

Mr. McEachern, in addresses to the Canadian Club of Toronto and the Rotary Club of Montreal this week, indicated that the vast majority of the people of South America are earnestly praying for a British victory. But important elements among the ruling groups would not be averse to a Nazi victory, because authoritarianism fits their own political concepts.

Thus the future of freedom and democracy in South America, as in the rest of the world, rests in an overwhelming victory for the British cause. If Hitler wins he does not have to conquer South America to have it become a Nazi continent. It will go Nazi from within.

But if Britain wins—as she will—we shall not have to worry about Nazi-Fascist tendencies in South America. They will disappear like a passing cloud.

There is much at stake in this war and not the least is the whole future of the Americas.

It is worthwhile for Canadians to get this broader picture of their neighbor countries to the south.

Canada Shows the Way

Newsweek magazine publishes an informative discussion on the American problem of defense financing. Much money is needed. Washington wants to get it from investors and not in the form of newly-created or inflation money in the banks. Washington realizes that it is vital to get the money from "the little man" to avoid a drastic rise in prices of everything. The rate must be attractive enough to draw the average man's dollars without overloading the appeal with too much emotionalized patriotism. The Treasury is wondering if it can get away with a 2½ per cent rate. It would like not to pay more, but is far from certain that such a rate will bring in the money.

All of that is a most illuminating commentary upon the recent assertion of Mr. Hepburn that Canadian authorities seem to have "determined upon a three per cent war" while the United States can get more money than it needs at three-quarters of one per cent per annum.

The 3 per cent money Canada is getting through war savings certificates and war loans represents the real savings of the Canadian people. It is the product of work and self-denial.

The three-quarters of one per cent money, borrowed for short terms by the U.S. government, represents the idle, excess reserves of the banks, temporarily invested. The more such new "money" is pumped into the banks the greater the impetus to price inflation. The more the government borrows in this way from the banks the more it helps to defeat its own aim of doing defense borrowing without touching off an inflationary spiral.

The kind of borrowing that the Government wants to do in the United States, the kind that taps the accumulated savings of the country, is not going to be done at three-quarters of one per cent. It is going to be done by Uncle Sam at 2½ per cent or more.

Now, a rich and mature country like the United States, the financial centre of the whole world, ought to be able to borrow at much less than a younger country like Canada, a country at war. If there is only one-half per cent difference in the rates in the two countries we can take considerable pride in that fact.

There is, however, another vitally important point. The Canadian government pays out 3% interest, but it recaptures much of it in income taxation, probably at least one-third.

The United States pays out 2½ per cent and gets nothing back in taxation. American issues are tax-exempt.

When all the facts are considered it would seem that Canada is showing the United States a thing or two about defense financing.

That 30-day Training

The Financial Post, October 5, 1940.

"The judgment of competent military experts leaves no doubt that a 30-day training plan has little to commend it as of immediate military value . . .

"It does not make soldiers, yet it may seriously hamper other more vital phases of the war effort.

"It becomes a menace to national security if it takes men from an industry as vital as aircraft production."

Prime Minister King, February 3, 1941.

"Mr. King's statement admitted the two chief criticisms made against the thirty-day camps—that the time was too short for proper training and that taking 250,000 men away for a month at a time had a 'disturbing effect on war industry, and tends to lower war production, which at present is essential to the war effort' . . .

"'To make the best possible use of Canadian man power,' said Mr. King, 'it is considered that it would be preferable, both from the viewpoint of defense and from the point of view of war production, to call up fewer men and give those called up longer and more thorough training.'"

Editorials in Brief

Those who favor "paying for" the war, either by creating money in the banks or printing paper money, have supporters in hard-pressed Italy.

For the next fiscal year Italy faces a deficit of 21 million lire, just over $1 billion at current rates of exchange. Deficits of this size cannot be financed in Italy by selling bonds to investors. The people will not buy the bonds. So the deficits have to be financed some other way. The Journal of Commerce, New York, reports:

> "The printing of paper money has won considerable support recently as a financing alternative. . . . Such a price rise, by reducing the lira's purchasing power, would make the increased national debt less burdensome for the future."

Thus Italy heads, in finance as on the military front, in the wrong direction.

Canada, which is going to be on the winning side, should not retire in the panic rout of paper money financing.

* * *

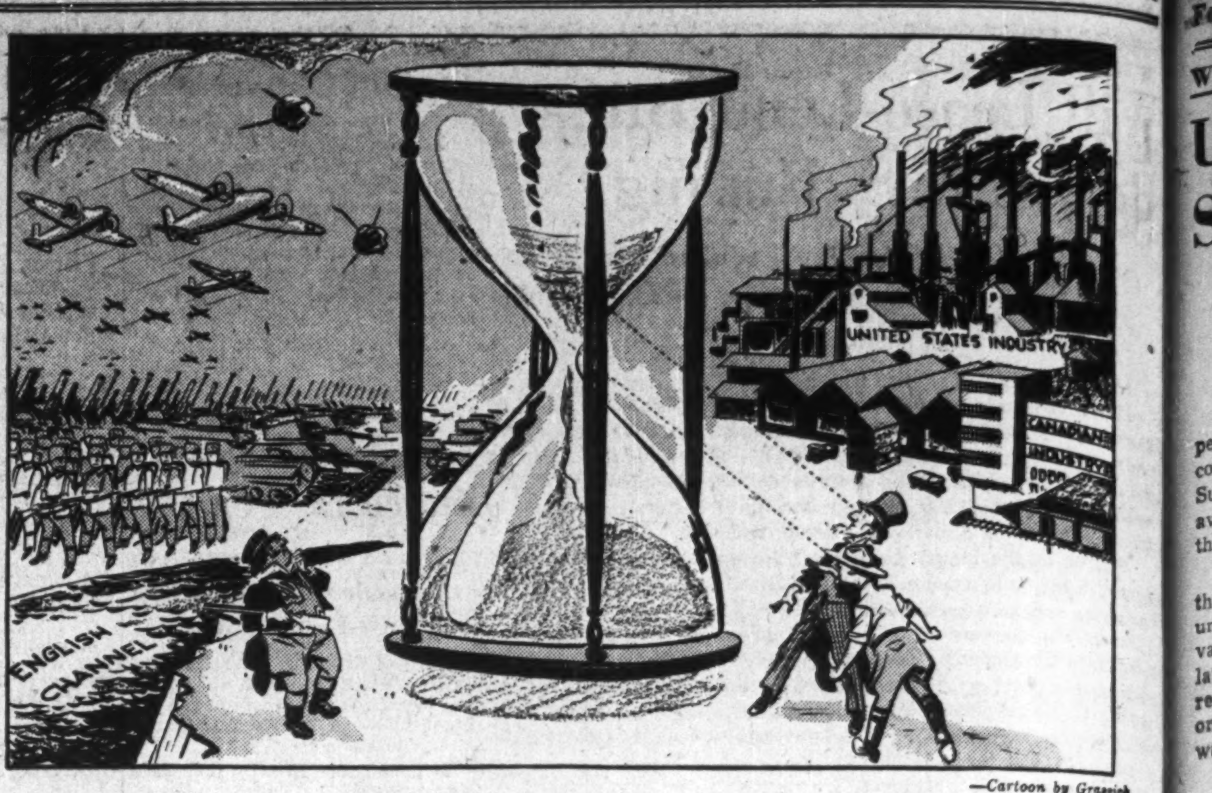
The Financial Post has supported the general principle of restricting foreign travel through the Foreign Exchange Control Board. The narrowness of the bottleneck in American dollars has made some such control unavoidable.

We observe, however, that several Canadian newspapers are beginning to question the wisdom of a total ban on "pleasure" travel in the United States. They point out such a ban invites retaliation; that it is a poor advertisement for Canada; that perhaps for every American dollar we save we lose another American dollar that might have come here.

How the travel ban has actually worked out, on balance, The Financial Post cannot say. Only the authorities at Ottawa have sufficient information to enable final judgment to be rendered. But The Post has run across an amazing amount of misinformation in the United States, even among people who should be well informed, on Canada's war effort, and its position in the Empire. Much of this misinformation results from the fact that there are so few Canadians travelling in the United States.

May The Financial Post make this suggestion: that the inter-departmental committee on our traffic at Ottawa make a careful survey of the net losses to Canada, as well as the benefits from the ban on travel across the border. The Foreign Exchange Control Board alone is hardly competent to render an unbiased judgment in a matter where intangible factors must be weighed along with statistics of net balances.

We are prepared to believe that some regulation of foreign travel may prove still to be necessary. But we would like to feel that Ottawa was reconsidering the question from time to time and overlooking no important angles.



RACE AGAINST TIME

—Cartoon by Grassick

Post-Scripts . . . .

In Skelton's Shoes

Norman Robertson, counsellor in the Department of External Affairs, was promoted to be acting head of the External Affairs department, within one hour of the death of Dr. O. D. Skelton.

NORMAN ROBERTSON

The appointment agreeably surprised Ottawa. Mr. Robertson is 37 years of age, and was promoted over the heads of half a dozen career men in the department, all of them with distinguished records of service.

But it may be doubted if any sincere friend has congratulated Mr. Robertson. To have the crushing responsibilities of this office thrust upon one's shoulders is an occasion not for congratulations, but almost for commiseration. Dr. Skelton, in reality, was deputy prime minister of Canada, of greater importance in the Government of this country than any half dozen ministers of the Crown. Mr. King relied absolutely upon his judgment: so did Mr. Bennett. He was indispensable. Nor did he advise only on external affairs. He sat in on every major domestic problem and was the "universal joint" of government in Canada for 17 years. His responsibilities broke his heart but, rather than quit his post in war, he refused medical advice and paid the penalty.

* * *

To succeed Dr. Skelton, of course, is difficult. His range of knowledge—as historian, economist, expert in government was far beyond that of anyone in the service of the Government.

But Mr. Robertson is outstanding among the younger men in the department and since the outbreak of war has been working more closely with Dr. Skelton than any of the others. He has been on all the war committees and is particularly strong in economics. He is a native of Vancouver and a graduate of the University of British Columbia. He was a Rhodes Scholar at Oxford, and did post-graduate work at Harvard. He entered the External Affairs Department after completing his studies but left it to teach economics at Harvard. Mr. Bennett, at Dr. Skelton's suggestion, got him back and he became, along with Hector McKinnon, the tariff expert, and L. D. Wilgress, of Trade and Commerce, a member of Canada's trade treaty triumvirate. These three negotiated the British trade treaty of 1936, the two treaties with the United States, and innumerable lesser pacts with other countries. Mr. Robertson has been personally responsible for all the international aspects of our wartime trade policy.

He looks younger than his years. He has the round, rosy face of an overgrown public school boy. He is a grand conversationalist, is very active socially in a wide circle of friends in Ottawa. He is completely lacking in self-esteem either with respect to his personal appearance or his abilities. He is unassuming and modest but his mind is as sharp as a needle point and he has an astonishingly accurate memory. He is over six feet tall.

* * *

Five years hence, with the war crisis passed, a more mature and experienced Norman Robertson could have slipped Dr. Skelton's mantle over his shoulders as a matter of course. And, at that, he might well have expected that Dr. Skelton would still be available in retirement for consultation and advice.

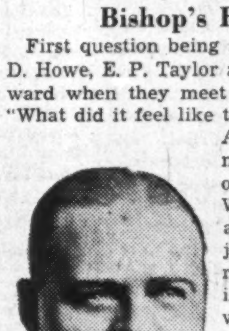
Now, in the most critical phase of the greatest war in history, he is thrust forward in front of the front rank: before he has had the chance to equip himself as he would have liked; to develop the full power that is in him.

Into his hands now fall all the negotiations under way between Canada and other countries — London, Washington, Vichy, Capetown, Canberra and so on. Every department of government talks abroad through him: he must stand at the elbow of the prime minister in reaching every major decision on foreign policy:

* * *

Bishop's Rating

First question being asked of Hon. C. D. Howe, E. P. Taylor and W. C. Woodward when they meet their friends is: "What did it feel like to be torpedoed?"



E. P. TAYLOR

After that, these notable survivors of the ill-fated Western Prince are usually subjected to a barrage of questioning from curious well-wishers.

Last week when he came to Toronto for a day, Ed Taylor got one jump ahead of the questioners by asking his company managers and a few friends to gather in his office for a first-hand account of the Western Prince voyage, the visit to England and the final exciting dash back to America aboard "KG-5."

Best story of the trip:

Aboard an Admiralty vessel, hospitality is abundant, meals and board are free of charge. But there is a charge for wardroom refreshment, "entertainment," etc.

The Admiralty has a regular tariff. An ambassador such as Lord Halifax pays 6 guineas a day for the first seven days, thereafter one guinea. Hon. C. D. Howe as a minister of the Crown was easy to classify. He paid 3 guineas a day.

But Mr. Taylor and Mr. Woodward were something of a puzzle to the ship's officers. Holding no rank in the armed services or in the government service they could not as readily be classified.

Finally the Admiralty made its decision: they were both put down as bishops—one guinea a day.

The best value he had in his life, reports Mr. Taylor.

* * *

Highlights of the disastrous trip aboard the Western Prince:

The torpedo struck at 6.05 a.m., but being some 200 miles off Iceland, sunrise didn't come for another four hours.

The tramp steamer which rescued survivors was bound for Mexico—empty. It had passed the Western Prince at about midnight, subsequently noticed the flares from the eight lifeboats.

The Scottish captain took a vote among his crew as to whether he should turn back or not (it's against Admiralty rules to do so). The crew voted unanimously "yes." Asked what he would have done had the crew voted "no," he replied: 'I'd have come anyway.'

While the tramp rescued the survivors a destroyer "stood by." Had the tramp not turned up it would have been impossible for the destroyer to effect a rescue.

* * *

A day or so before the Canadian party was to have left England a telephone call came through, asking them to report at a certain station the next morning at 11. When they arrived they found to their surprise the entire British cabinet; saw Winston Churchill and his wife boarding the train.

Not until they arrived at a certain port did they learn that the ship that would take them back was the fastest, newest thing in the warship world.

For a warship it has excellent accommodation, probably because on its return to England it becomes the flagship of the entire British fleet. This requires extra accommodation for the long list of Fleet officers who make it their headquarters.

The guests were given complete freedom of the vessel—no secrets barred.

Everyone on board was tremendously impressed with Lord Halifax. Underneath his reserve they found an intensely human, witty and delightful person, a good "mixer." They have no qualms about his doing an excellent job for Britain in America.

* * *

No. 1 Skate Salesman

Thirty-five years of services with Canada Cycle & Motor Co., one of the operating subsidiaries of Russell Industries Ltd., were rewarded last month when George S. Braden was appointed president of the company. In this position he succeeds the late T. A. Russell, for many years president of Russell Industries and its subsidiaries.

GEO. S. BRADEN

Mr. Braden was born 49 years ago in Bobcaygeon, Ont. He got his first job with Canada Cycle as stenographer to the former general manager, J. W. Gibson. His next step was to go on the road as a salesman, first in the Maritimes, then in Ontario. Finally he visited customers in such widely separated lands as China, Japan, Australia, New Zealand, United Kingdom and Europe.

By 1923 he had been appointed export manager of Canada Cycle. This was followed successively by appointments as general sales manager in 1925, assistant general manager in 1927 and general manager in 1933. In his new office as president he continues to perform the duties of general manager. He has been a director of Russell Industries since 1933. He is also president of Canada Cycle's two subsidiaries, C. C. M. Inc., Buffalo, and Jos. Choquette Wood Specialties Co., St. Johns, Que.

Mr. Braden is past president of the Canadian Export Club (1928-9), a member of the Canadian Manufacturers' Association, The Canadian Club, the Toronto Gun Club and the Weston Golf & Country Club.

* * *

Averse to publicity, Mr. Braden is probably best known in sporting circles. This is primarily because of his work in promoting the sale of C. C. M. products, one of the best known of which is its famous line of ice skates and hockey equipment. Last fall he received one of the rare items of publicity that has come his way. As a result of the incident which gave rise to the story, a fine new rug is in the Braden home, made from the pelt of a 500-lb. bear which proved an unwelcome visitor to his summer home at Sand Lake, Novar, Ont. One of Mr. Braden's favorite sports is hunting and his prowess enabled him to put an end to the career of this intruder.

An opportunity for public service came last year when Hon. C. D. Howe, Minister of Munitions and Supply, sought Mr. Braden to head the government company then being organized to make army rifles near Toronto. Mr. Braden was called to serve as president and general manager of this company, Small Arms Ltd. Only recently did he relinquish the position of general manager of that company while still retaining the presidency. His period of service with Small Arms Ltd. has been the difficult one of its preliminary organization and establishment with a newly constructed plant.

Other People's Views . . . . . .

The Canadian Editorial of the Week

Canada Needs a War Cabinet

Winnipeg Tribune

Ottawa despatches indicate that the Government is becoming concerned over the strength and insistence of the demand for Cabinet re-organization, and there is some indication that the task of forming an inner war cabinet will shortly be undertaken.

The failure of Federal Aircraft to coordinate the efforts of a number of factories for the production of Anson bombers needed for the Empire Air Training scheme has provided the concrete case needed to convince easy-going optimists in the Government and in the country generally that the Government has not been pushing its war effort with the necessary vigor.

The need for a fulltime inner war cabinet has been evident for many months.

In Great Britain an inner war cabinet has achieved very gratifying results in directing the Battle of Production, in mobilizing Britain's industrial and manpower resources. Even so, London dispatches today report fresh pressure for a five-man war cabinet whose "ministers should be without portfolio, freed of departmental responsibility and political worry, and concerned only with winning the war."

Co-ordination to achieve maximum results can be initiated only at the centre. The driving power an all-out war effort demands can only be supplied by ministers who have been relieved of departmental routine. Ministers cannot formulate policies, mesh them with other policies, and supply the central driving force for the whole effort in their spare time—in the time they can steal from their onerous duties as departmental heads.

Cabinet reorganization has already been too long delayed. It is to be hoped that the country-wide demand which has now developed will secure prompt attention at Ottawa.

* * *

What the Papers Are Saying

Check the Camp Contracts

Windsor Star

If Hon. J. L. Ilsley, Minister of Finance, is so hard pressed to get funds to carry on the war, he might get out his pencil and sharpen it to a fine point on some of the military contracts. We don't mean to deprive the navy, army or air force of anything that is needed. We do mean to make sure that exorbitant profits are not rolled up by friends of the party in power at Ottawa.

For instance, Mr. Ilsley might go into his own province of Nova Scotia. There has been quite a bit said about the cost of certain encampments in that part of Canada. People down by the sea are wondering why huts, for example, should cost as much as they do. They think it may be all right, but they would surely like to get some assurance that everything is on the up and up.

It took a long time to smoke out the Bren gun business. And, it had to be smoked out. The Government was keeping awfully still about that one.

Go ahead, Mr. Ilsley, take a look at all the contracts and see what can be done in the interests of the people who have to put up the money — you know, the taxpayers.

* * *

Provinces Must Retrench

Calgary Herald

The failure of the Ottawa conference means that the provinces must continue to finance their needs as in the past, but with this very important difference—the Dominion taxing authorities require and must have a great deal more revenue. There is no escaping that fact.

The taxpayers who are called on to meet the greatly enlarged federal demands for the war are for the most part the same people who pay provincial and municipal taxes, and there is a limit to what they can provide to government costs. Therefore, it should be clear that as the Dominion collects more, the provinces and municipalities must be satisfied with less.

So far there has been little evidence of an intention of the provincial tax collectors to forego their present rate of spending.

The Mail-box

For Speed

Editor, The Financial Post:

Boats being built by the Government are to be mahogany planked. Why Douglas fir is not used is not understandable. They are to be equipped with gasoline engines. Why gasoline instead of Diesel is being used is unknown, unless someone having the agency is exercising political influence . . . There is being built a tug costing $150,000 for towing a mark for gunpractice. This seems to be a lot of money.

PACIFIC COAST READER.

Editor's Note: Marine authorities inform The Financial Post that mahogany instead of fir is used to save weight where speed is vital. The use of gasoline rather than Diesel power is for the same purposes. The same authorities suggest that a tug to take targets far out to sea would have to be substantially built, much more so than the ordinary tug which hugs the harbors and shores.

* * *

Stop Me If . . . .

A ventriloquist attended a negro funeral unknown to the mourners. Afterward, one of them told another what had happened at the cemetery.

"You won't believe it, Mose," the narrator said, still wild-eyed, "but when dey begins to lowah Joe in his grave, he says, 'Lemme down easy, boys.'"

"And did dey finish burying him?"

"Man, Ah don't know. Ah didn't stay."

Sayings of the Week

"A world run by experts would be chaos."—*Ivor Brown.*

* * *

"History has been propaganda from the very beginning."—*H. G. Wells.*

* * *

"Hitler would like to end the match at half-time."—*Rt. Hon. L. C. M. S. Amery.*

* * *

"Wisdom in politics is the power to make the possible inevitable."—*Harold Laski.*

* * *

"Let us watch that never again in the future, calamity almost overtakes us, because, having eyes, we yet fail to see and, having ears, we yet fail to hear."—*Hendrik van Loon.*

* * *

"I'd go the limit so far as giving Britain first call on our resources and on our production is concerned."—*Alfred P. Sloan, chairman of the General Motors Corporation.*

* * *

"The transaction of exchanging fifty destroyers against important strategical naval bases has again to be considered rather as a deal than a contribution. A contribution means sacrifice." — *Ignace Paderewski.*

* * *

"He who walks in London is no longer lonely in a great city. He has nine million friends. If we can keep this new comradeship, we can do anything."—*Edward Hulton, a young London publisher, in World Review.*

The Financial Post

Member Audit Bureau of Circulations

A weekly newspaper, presenting in a popular manner, reliable information respecting investments, business and national affairs in Canada.

FLOYD S. CHALMERS, Editor.
DOUGLAS M. GOWDY, Business Manager.
Published by
The MacLean Publishing Co., Limited
481 University Avenue, Toronto 2
JOHN BAYNE MACLEAN, Founder and Chairman.
HORACE T. HUNTER, President.
H. VICTOR TYRRELL, Vice-President and Managing Director.

Subscription Terms: Single copies, 10 cents. Yearly, in Canada, United States, Mexico and British Empire, $5; all other countries, $6.
Advertising Rates: Single insertion $4.20 per inch. Contract terms upon request.
Montreal: Dominion Square Building. Murray R. Chipman, Eastern Manager; John E. Langdon, Eastern Editor.
London, England: Sun of Canada Bldg., 2, 3 and 4 Cockspur St., S.W.1.

Week in Business

Unused Plant Capacity Still Substantial

Proposed Diversion of Industrial Concerns From Peace to War Work Considered Unnecessary — Auto Sales Reflect Purchasing Power

Compulsory diversion of non-war manufacturing industries from peacetime to war production, forecast by Hon. C. D. Howe at a press conference in Ottawa, is causing some surprise in industrial circles. Such a move is seen as logical when all industrial capacity readily available for war production is fully employed. But it is believed that that stage is still some distance away.

A survey conducted by Industrial Canada among the members of the Canadian Manufacturers' Association showed there remains unused much plant capacity capable of turning our war supplies of various kinds. The survey, the results of which are published in the latest edition of Industrial Canada, shows that of those concerns replying to the questionnaire sent out, 55% were working on war orders, 5% had completed war orders and 40% were not employed on war business.

Most of those working on war orders stated they could increase their production. This increase in most cases could be effected by increasing the number of shifts working. About three fifths of them were working on one shift, one third on two shifts and the remaining 10% on three shifts. Few of them had any idle equipment. Few firms specifically mentioned cutting down civilian output as a means of increasing war production.

Most of those who could not increase production were manufacturers of steel or metal products, electrical equipment, etc.

Of those not working on war orders 57%, including metal working plants, leather and textile concerns, were working below capacity or could put idle equipment to work. The remaining 43% said they had no facilities for war production.

It would appear there is still much capacity readily available for was production to be absorbed before any enforced diversion of non-war type industries to war purposes is necessary.

* * *

Another announcement, that the period of war training for young men will be extended to four months, beginning with the 21 year old class, is being studied. The four months period unless wisely applied, it is feared, may cause some disruption of industry, especially where men of that age have become skilled in certain classes of work.

* * *

General business is running pretty much along the pattern usually seen at this season, except that trade and industry are operating on a higher level than in recent years. Employment continues at a high point with further expansion indicated.

One of the results of the higher earning power is seen in the sales of automobiles. Sales of new civilian vehicles in Dec., 1940, were higher than in any December on record, in spite of the higher taxes imposed.

Business Indicators

Current business holding at level of recent weeks with D.B.S. index well above year ago.

Railways — Carloadings and earnings continue above 1940, despite smaller grain traffic.

Iron and steel production up 54% and 45% respectively in 1940.

Automobiles—Sales of passenger cars and trucks in December set new high record for month in number of units and value.

Construction contracts awarded in January more than three times those of Jan. 1940.

Electric power output up 6% in 1940.

Foreign trade—Imports continued above 1939 to end of 1940. Exports in December below previous year's level for the first time in year.

Trend of business shown by The Financial Post Business Index and following key factors, new items for the week being marked thus ■

TREND OF BUSINESS—	Jan. 25	Jan. 18	Jan. 11	Jan. 4	Jan. 27/40
Weekly index of business, D.B.S.	107.7	107.7	107.8	107.7	104.3
Commodity prices index no.	84.8	84.6	84.3	84.3	82.5
	Dec.	Nov.	Oct.	Sept.	Year Ago
The Financial Post business index	*150.1	153.4	151.7	147.4	129.0
■Retail sales index no.	102.4	95.9	93.7	90.8	87.9
Dept. stores sales index no.	101.1	98.1	92.3	89.2	89.0
■Wholesale sales index no.	116.4	122.9	133.7	124.2	98.2
■Country store (% change pr. yr.)	+3.0	+15.4	+3.6	—10.7	+4.0
EMPLOYMENT INDEX Nos., D.B.S.	Dec. 1	Nov. 1	Oct. 1	Sept. 1	Year Ago
All industries	139.1	130.2	136.2	131.6	122.7
Manufacturing	144.7	144.6	143.8	138.4	122.2
Wage earners, no. 000's	....	....	2,867	2,805	2,545
Living costs weekly budget	$18.22	$18.14	$17.87	$17.82	$17.77
			Jan. 1 to date		%
RAILWAYS	1940-41	1939-40	1940-41	1939-40	Change
■Carloadings (week Jan. 25)	52,085	50,077	198,248	184,926	+7.2
■C.N.R. gross (week Jan. 31) $	7,028,490	6,427,070	20,926,667	17,601,735	+18.8
■C.P.R. gross (week Jan. 31) $	4,964,000	4,617,000	14,685,000	12,244,000	+19.9
■C.N.R. net revenue (Dec.) $	6,273,550	3,773,613	45,007,412	20,854,419	+116.0
■C.P.R. net revenue (Dec.) $	4,806,206	4,381,968	35,639,438	28,523,819	+24.9
IRON AND STEEL—Dec.—					
■Pig iron production (tons)	110,477	94,169	1,168,894	755,731	+54.7
■Steel ingots and castings prod. (tons)	186,420	150,105	2,011,172	1,384,870	+45.3
AUTOMOBILES—(Number)—					
Passenger Cars:					
■Domestic sales* .. (Dec.)	8,775	7,804	101,767	90,054	+13.0
Factory output .. (Dec.)	11,653	11,491	110,126	108,806	+1.2
Trucks and Buses:					
■Domestic sales* .. (Dec.)	2,145	2,040	29,150	24,693	+18.0
Factory output .. (Dec.)	11,711	5,487	112,858	46,510	+142.7
Financing:					
Used (Dec.) $	2,615,650	2,190,844	41,651,440	34,916,119	+19.3
New (Dec.) $	2,850,670	2,110,283	33,616,879	27,852,627	+20.7
CONSTRUCTION—					
■Contracts awarded .. (Jan.) $	26,579,800	8,844,700	....	....	+200.5
Cement prod., bbls. (Sept.)	909,000	852,000	5,528,804	4,424,691	+24.9
AGRICULTURE—					
Flour prod., bbls. .. (Nov.)	1,588,428	1,060,429	15,178,883	15,287,008	—0.7
Flour exp., bbls. .. (Nov.)	662,718	572,810	6,625,291	4,439,458	+49.2
Wheat exp., bush. .. (Nov.)	17,278,000	20,635,000	127,407,700	128,491,939	—0.8
Cattle sales▴ (Dec.)	86,728	72,143	1,149,255	1,081,976	+6.3
Hog sales▴ (Dec.)	785,335	432,805	5,590,366	3,701,061	+51.0
SEA FISHERIES—‡					
Catch cwts. (Dec.)	511,900	451,300	10,860,550	9,585,150	+13.3
Landed value (Dec.)	1,006,900	757,300	17,850,700	16,641,350	+7.2
NEWSPRINT—					
Production, tons (Dec.)	252,897	240,656	3,418,803	2,869,266	+19.1
Exports, tons (Nov.)	276,586	253,997	2,979,336	2,403,432	+23.9
MINING AND OILS—					
Coal prod., tons (Nov.)	1,822,563	1,740,879	15,787,856	14,206,872	+11.1
Coal imports, tons (Nov.)	1,479,922	1,947,631	16,723,995	12,726,947	+31.3
Gold prod., fine oz. (Oct.)	467,441	433,086	4,402,782	4,234,846	+3.9
Crude oil prod., bbl. (Sept.)	841,752	720,866	6,268,565	5,787,117	+8.3
Crude oil imp., bbl. (Nov.)	4,800,084	4,117,100	40,203,034	35,517,600	+13.2
ELECTRIC POWER OUTPUT—(December)—					
■Total monthly, 1,000 kw.h.'s	2,584,341	2,536,242	30,080,248	28,351,514	+6.1
FOREIGN TRADE—♦					
■Imports (Dec.)	102,289,873	72,100,338	1,081,938,110	751,055,534	+44.0
■Exports (Dec.)	98,710,660	101,972,728	1,193,217,592	935,921,712	+27.5
OTHER INDUSTRIAL FACTORS—					
Dressed lumber exp.: 1,000 bd. ft. (Dec.)	190,249	159,312	2,451,638	2,113,306	+16.0
Shoes, prod., pr. (Nov.)	2,230,387	2,023,350	24,216,363	23,230,257	+4.2
Cotton consump., lb. (Dec.)	16,182,308	13,922,497	191,295,405	128,762,283	+48.5
Raw rubber imp., lb. (Nov.)	11,311,687	3,363,319	97,452,005	63,994,328	+52.3
Cigarette cons. No.† (Dec.)	574,837	512,380	7,571,841	7,126,192	+6.2
Sugar manufactured .. lb.‖	164,005,409	190,390,511	1,050,570,832	999,510,880	+5.1
FINANCE—					
Bank debits† (Dec.) $	3,208,348	3,056,867	34,437,475	31,617,352	+8.9
Bond sales† (Dec.)	326,704	72,719	2,277,999	1,441,751	+58.1
Life insurance sales (Dec.) $	33,727,000	34,759,000	365,217,000	366,726,000	—0.9

*D.B.S. All Canada figure covering over 90% of the Canadian total.
†000's omitted. ‖For four weeks to Nov. 30, 1940. ♦Gold excluded.
‡Unrevised figures covering N.S., P.E.I., N.B., Que., B.C. *Preliminary.
▴Total at yards and plants.
New items for week marked ■

ELECTRIC POWER PLANTS
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Automatic or Manual Control
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Toronto
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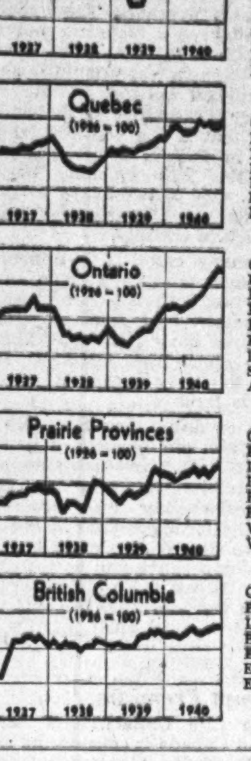
Business In All Areas At Higher Levels

A high level of business activity throughout the Dominion is reflected by The Financial Post Regional Indices for December. Advances over the previous month were shown in the Maritimes, Quebec and the Prairies while minor recessions were registered in Ontario and British Columbia. Compared with December, 1939, improvement was shown in all areas, the greatest gains being 17.2% in Ontario and 19.3% in the Maritimes.

Construction contracts awarded showed a general increase as also did employment. Bank debits were higher in all areas except the Prairies, where a decline in the wheat trade was the factor.



Trend of Business in Economic Areas

	Dec. 1940	Change from '39 %	Nov. 1940
Maritimes:			
Constr. contr. ..... $	1,887,000	+164.7	2,754,000
Bldg. permits ..... $	329,000	+210.4	917,000
Life ins. sales .. $000	2,306	—13.4	2,606
Bank debits, $000,000	70.5	+3.5	78.5
Elec. pwr., kw.h. 000	85,443	+9.8	82,434
Employment*	130.0	+9.3	133.2
Exports ..... $	14,779,450	+18.4	9,346,026
Index	160.3	+19.3	150.9
Quebec:			
Constr. contr. ..... $	5,223,000	+118.6	7,006,000
Bldg. permits ..... $	2,391,000	+218.0	3,105,000
Life ins. sales .. $000	9,974	+5.5	9,535
Bank debits, $000,000	951	+8.4	624
Elec. pwr., kw.h. 000	989,113	—2.6	963,697
Employment*	139.6	+15.7	140.7
Newsprint prod., tons	252,897	+3.1	282,344
Index	161.1	+5.6	158.2
Ontario:			
Constr. contr. ..... $	5,587,000	+6.0	33,009,000
Bldg. permits ..... $	3,466,000	—15.2	5,910,000
Life ins. sales .. $000	14,400	—6.9	14,167
Bank debits, $000,000	1,463	+14.7	1,427
Elec. pwr., kw.h. 000	919,242	+0.9	901,963
Employment*	141.1	+16.7	142.7
Livestock slaughter.*	216.2	+41.5	230.4
Steel prod. ..... tons	185,420	+22.6	176,113
Auto. prod. ..... no.	23,304	+37.6	23,621
Index	150.4*	+17.2	152.0
Prairie Provinces:			
Constr. contr. ..... $	1,367,000	+304.4	11,850,000
Bldg. permits ..... $	400,000	+7.4	357,000
Life ins. sales .. $000	4,031	—25.4	3,951
Bank debits, $000,000	534	—17.8	544
Elec. pwr., kw.h. 000	201,720	—1.7	201,815
Employment*	116.2	+12.5	118.8
Wheat receipts .. bu.	39,250,000	+156.0	37,727,000
Wheat prices**	73/2	—11.1	71/6
Index	134.2	+4.9	132.5
British Columbia:			
Constr. contr. ..... $	2,854,000	+298.0	368,000
Bldg. permits ..... $	706,000	+7.4	835,000
Life ins. sales .. $000	2,453	—21.2	2,247
Bank debits, $000,000	190.5	+2.8	175.6
Elec. pwr., kw.h. 000	186,957	+7.0	184,454
Employment*	116.0	+18.9	123.6
Exports ..... $	9,736,980	—3.6	7,432,814
Index	134.2	+4.9	134.4

*1926 equals 100.
**Cents and eighths of a cent per bushel.

Keeping Posted . . .

By J. C. KIRKWOOD

The Winston Churchills have four living children — Diana, Randolph, Sarah and Mary. Mary is 17 and said to be the least spectacular of the Churchill children. Diana is completely natural in manner and quite unostentatious. She took up nursing. She married a son of Sir Abe Bailey, from whom she was divorced and is now happily married to Douglas Sandys.

JOHN C. KIRKWOOD

Randolph as a boy was thoroughly spoiled and excessively naughty. He became a journalist and made $10,000 a year. He acquired political ambitions, but had not any early success and was dubbed "Also Ran-dolph." Sarah is the most vivid of the children. She became a professional dancer and in the end married Vic Oliver, an Americanized Viennese showman.

There's an entertaining and factful story about the Churchill children—the "turbulent" children—in the February issue of Chatelaine. It was written by Mrs. Alice Hemming, an Englishwoman living "for the duration" in Vancouver. This story also gives close-up views of the domestic life of the parents.

* * *

Memorable Words

The notable utterances of Winston Churchill have been made into a booklet by the three Sifton dailies—Winnipeg Free Press, Regina Leader-Post and Saskatoon Star-Phoenix. The booklet contains 80 pages and sells for 25 cents. All profits from the sale of the booklet are turned over to the Regina Federated War Chest. It is the intention to produce further booklets of the same general character. The first edition of 12,000 copies had a quick sale.

* * *

What Printers Need

What do printers, publishers and allied enterprises buy in the way of supplies? According to a directory of sources of supply appearing in the January issue of Canadian Printer and Publisher, they buy 193 different kinds of supplies.

For example: Adhesives, bindings, cameras, die-stamping presses, imitation leathers, sawing and trimming machinery, stapling machines, time clocks, varnishing machines, wrapping machines. Printing is one of Canada's major industries.

* * *

Impetus has been given to the greeting card industry, says Printer and Publisher, by the import prohibitions of the Ilsley budget. Canada has been importing each year $500,000 worth of greeting cards from the U. S. The budget also bans the sale of about 200 American magazines in Canada. In 1939 Canada imported magazines from the United States to the value of $6.5 millions. About a carload (30,000 lb. per week) of U. S. magazines of all kinds had been passing through the Port of Toronto for distribution in Ontario, to say nothing of the quantity distributed in other provinces and passing through other ports.

Undoubtedly many of us ought to become much better acquainted with our Canadian magazines.

* * *

In Face of Adversity

J. S. Luckett, president of Luckett Loose Leaf Ltd., Toronto, remembers vividly when he started his business in Toronto: It was in July, 1914,—just a month before the beginning of World War No. 1. Despite the setbacks of the war situation Mr. Luckett looked it squarely in the face and its terrors fled. Soon he had to find larger premises.

Canadian Bookseller and Stationer reports an anniversary presentation to Mr. Luckett by the members of his staff. Mr. Luckett has been an untiring worker in trade associations and always has worked for the benefit of the trade rather than for personal advantage.

I am reminded by this of John H. Patterson, founder, the National Cash Register Co., who nine years after beginning his business had to face the catastrophic year of 1893. He determined to make this year's sales top all previous records and succeeded in doing so. His view was that it is suicidal policy to reduce sales expense in times of panic or depression.

* * *

Easy on Eyes

Some years ago the William Neilson Co., makers of confectionery and ice cream, perceived that many of their girl operatives became tired rapidly while employed at their tasks, and that many of them had to use glasses to ease eyestrain. Investigation showed that much of the eye trouble and fatigue was related to the sombre walls. An improved system of lighting was installed and experiments were made with color schemes for walls.

White — a gleaming white — was tried out on walls and machinery, but white proved to be quite wrong. Finally, reports Canadian Paint and Varnish Magazine for January, a color scheme was discovered which enhanced visibility and at the same time combined the properties of attractiveness and cleanliness. Today practically all surfaces throughout the plant, including those of corridors and storehouses, are painted in a quiet combination of light grey and cream. Over a period of years this combination has proved to be most restful to workers' eyes; also it is easy to keep clean.

* * *

Opportunity

"There's no doubt about it: Selling as an occupation is on the up-and-up. It is because I have become so thoroughly convinced that selling in its multifarious branches holds out so rich a promise to the young people of today—both as an opening wedge into other fields and as a career in itself—that I have written this book."

Thus writes Frances Maule in "Selling — a Job That's Always Open." (Ryerson). The first and striking words of the opening chapter are: "Anyone who can sell can eat." It is a good book, very readable, even inspiring. I recommend it to all young persons facing the problem of what to do as a means of livelihood.

WHO LOSES
When Credit Losses Exceed "Normal"?

EVERY prudent Manufacturer and Jobber is prepared to absorb normal credit losses. But what provision have you made for "bad debts" beyond normal? These are the losses which embarrass and hamper a firm — wipe out profits and endanger capital.

For a fraction of a cent per dollar of sales you can eliminate these excessive losses, by covering your accounts with

Credit Insurance

Insured for years without suffering excessive losses, a policyholder wrote as follows upon receipt of a recent settlement: "The chief value of your policy is that it allows us to provide for a normal Bad Debt Loss with the assurance that, should abnormal circumstances prevail, we have your protection."

"Abnormal circumstances" assuredly prevail today. Inquire how Credit Insurance can protect you, through general or specific coverage.

CANADIAN DIVISION
AMERICAN CREDIT INDEMNITY
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Executive Offices: Baltimore, Maryland

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The Metropolitan Building
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Montreal Office
Canada Cement Bldg.
Phone: LA. 3258

Sherbrooke, Quebec
48 Montreal Street
Phone 815J

P2

Domin. Bridge At Capacity

Practically All Equipment Kept Busy in Furthering War Effort

From Our Own Correspondent

MONTREAL.—All plants of Dominion Bridge Co. were kept busy in 1940 fabricating and erecting units for factory buildings, airdromes and other structures required for Canada's war effort, according to a statement made at the annual meeting by W. F. Angus, president.

In reviewing operations, Mr. Angus said the boiler and plate shops were particularly busy producing large marine-type boilers and other pressure vessels. It was found necessary to extend the stress-relieving furnace and purchase additional X-ray equipment in order to meet required deliveries.

Other capital expenditures included some new machinery and a considerable addition to erection equipment.

Work on Munitions

Besides these general activities one of the company's plants was turned over to the manufacture of brass cartridge cases and when fully equipped will be capable of producing "a tremendous volume of cases per month."

In another plant steel shells are being forged and machined, and a third plant at present is being prepared for the machinery of another size of shell.

Recently the Department of Munitions and Supply instructed the company to proceed with the equipping of another one of its plants and the installation of machinery to produce a certain type of gun.

Urban Building Shows Upturn

But Rate of Advance is Less Than for All Canada

Upturn in building in urban centres last year was considerably less marked than for Canada as a whole, it is revealed by returns on building permits issued during 1940.

In the 58 key centres for which comparative figures are available, value of permits last year is reported by the Dominion Bureau of Statistics at $81,331,474. This reflects an increase of 34% over the 1939 total of $60.3 millions. A much greater increase of 85% was shown by the MacLean Building Reports estimate of construction contracts awarded last year throughout Canada, covering both rural and urban districts.

This would appear to indicate that the upturn in construction, due to air training, military and war industry building projects, came largely from operations in areas outside the larger urban centres. Many of the air training operations and the developments of war industries have taken place, of course, outside of permit-issuing districts.

December returns for the 59 key centres are reported at $5.9 millions, approximately on a level with the Dec., 1939, permit total of slightly over $6 millions.

In the 204 municipalities now being canvassed by the D.B.S., but for which comparative totals are not available, value of permits issued in 1940 is reported provisionally at $112.7 millions.

B. C. Yard May Supply Freighters For Norway

From Our Own Correspondent

VANCOUVER.—J. J. Coughlan, Vancouver shipbuilder, has been in Ottawa negotiating with Norwegian interests for the construction of steel freighters on the west coast, according to advices received here.

In the last war, when Coughlan & Son was one of the leading shipbuilding operators in British Columbia, the first contracts received were from Norwegians. The Norwegian Government has set up a branch purchasing department in eastern Canada.

Get B. C. Plants Ready For War

Dominion Bridge Starts Expansion — Others Wait for Orders

From Our Own Correspondent

VANCOUVER.—Dominion Bridge Co. will launch an expansion programme at its Vancouver plant at once to facilitate production of naval guns, depth bombs and other war supplies for the British Admiralty and the Canadian Government.

Cost of the project is estimated at between $4.5 millions and $5 millions. Dominion Bridge's fabricating establishment is one of the largest of its kind in the West, but extensive changes will have to be made to take care of the new war contracts.

Two other factors contributed to the selection of the Vancouver plant. One was its proximity to the Esquimalt naval base and other Pacific coast defense works. The other was the comparatively large supply of skilled and semi-skilled labor in Vancouver.

West Coast Protest

Only a few days before the contract was awarded here, west coast metal trades executives were complaining that their plants were working at only about 30% capacity as a result of the concentration of war orders in eastern Canada. They protested against heavy financial outlays in the east to get new plants in condition and to train new mechanics when out here many factories and workmen were idle.

A general quickening of the industrial pace on this coast is expected to follow Hon. C. D. Howe's return from overseas. Vancouver industrialists have been perplexed by the long delay in getting shell orders placed here, despite the assurances given months ago that all arrangements had been completed. Forty-eight plants have been producing lathes for use in the shell programme and this job is now about 65% completed, but actual orders for shells have not yet been awarded, and B. C. industrial leaders are trying to find out why.

There seems to be a good chance of additional steel cargo ship contracts being placed in Vancouver and Victoria. Several yards are said to be capable of building destroyers, too.

John Inglis to Make Anti-Tank Guns

A $5-millions addition to the government-owned gun plant operated by the John Inglis Co., Toronto, is announced by the Department of Munitions and Supply. It is to be used partly for production of an anti-tank weapon. Part of the new productive facilities are to go for added output of Bren guns.

The announcement stresses that manufacturing processes of the particular anti-tank gun selected are similar to those of the Bren gun.

Montreal Telegraphs Elects New Secretary

From Our Own Correspondent

MONTREAL.—Miss Mary P. Domville, secretary-treasurer of Montreal Telegraph Co. has tendered her resignation to directors of the organization. She will be replaced by Harold V. Gilbert, secretary of the Guarantee Co. of North America.

Miss Domville has held the position of secretary-treasurer of Montreal Telegraph for 15 years.

Funded Debts . . .

A booklet describing the funded debts of the Dominion of Canada and the Canadian Provinces, corrected to January, 1941, is now available. Write for a copy.

BUY WAR SAVINGS CERTIFICATES AND STAMPS!

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● He's a business man, he's discovered a wonderful market and he's concentrating on it! The figures . . . $512,330,000 . . . are huge, and they should be considered thoughtfully. They represent the yearly retail sales of groceries and drugs and candies and cars and odds and ends *to Star Weekly families!*

The Star Weekly's circulation is concentrated where the bulk of the Dominion's retail buying is done—in the urban centres across Canada. That's why it covers such a big percentage of the valuable, *buying* market of Canada. Its readers buy 18.9% of the Dominion's food purchases, 20.6% of the retail drugs, 19.4% of the gasoline, 15.8% of the confectionery, 19.5% of the wearing apparel. *This one national week-end paper will reach the people who buy over one-sixth of all retail purchases in Canada!* Whether as a one-paper campaign, or as the basis of a big advertising programme, *The Star Weekly* gives unusual coverage and value.

Proof of The Star Weekly popularity is the growing circulation. Currently it's running well over 450,000 copies a week —and it's still growing.

*Sales figures, Dominion Bureau of Statistics 1939, weighted to current conditions.

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In the Laurentians, at base of famous Mont Tremblant . . near chair ski-lift. Every comfort at moderate rates. Write, bklt., Manoir Pinoteau, Lac Tremblant, P.Q.

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Laurentian Mts. . . luxurious log chalet . . . new modern building . . rooms with bath—sprinkler protected, and every up-to-date convenience.
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ABSOLUTE SECURITY
W. R. HOUGHTON
Manager

FIDELITY
Insurance Company
of Canada
TORONTO

Fire & Casualty Insurance

See Accident Hazard Greater

Increased Pace of Industry and Business Offers More Chances For Individual to Meet With Mishap

Faster tempo of human activity as the whole war programme speeds up has increased the opportunities for individuals to meet with accidents. More automobiles are on the roads, increasing the hazard to both pedestrians and motorists. Factories are busier; streets more crowded. People, too, as a whole, are busier and often, as a result, more careless about where they walk and how they step. They don't take time to think whether their action may cause injury to themselves or somebody else.

As a result, it is claimed, accidents are on the increase.

These accidents if of a more or less serious nature may bring in their train loss of income through absence from work, bills for doctor's services or hospital fees, possible impairment of the individual's earning power, which may be temporary or permanent.

Of course if the injured person receives his injury while about the business of his employer he will probably qualify for Workmen's Compensation. But he may want greater benefits than are provided by this coverage. Then again the accident may be met with in various other ways. The individual may trip over something in the dark, or he may be hit by an automobile.

Placing the Blame

In such cases if he can prove somebody else to blame he may be able to collect damages, provided the party at fault has the financial resources or carries insurance.

But sometimes it is a difficult, costly process to prove the other fellow to blame. Mr. Jones does not willingly admit his responsibility if it is going to cost him money. Possibly he has no resources of his own anyway. Just as often as not he has no insurance. If he has, the insurance company wants to be shown why it should pay. In many cases where there is no financial responsibility the injured party even if entirely blameless as regards the accident has to pay his own medical costs, and may forfeit his salary while away from work.

Accident Insurance

To take care of just such cases as this, accident insurance has been designed and is sold by a number of companies in Canada.

These accident policies often include sickness insurance which gives pretty much the same benefits as the accident contract, namely indemnity for loss of time, plus common expenses of sickness such as doctor's or nurse's fees, hospital charges, etc. Accident insurance also gives benefits in case of accidental loss of life, one or more limbs, sight, etc.

A feature of these policies different from the accident and sickness clauses attached to some of the ordinary life insurance policies is that they may be cancelled at the end of any period for which they may have been issued, such as six months or a year. On renewal dates the company has the right to refuse to renew. The life insurance policies on the other hand are non-cancelable.

Most of these accident and sickness policies pay indemnity during a stated period of say three months. In some cases the contract calls for an indemnity for life to the policyholder becoming totally disabled if such disability keeps him confined to the house.

Variations of Contract

There are many variations of the terms of the contract in both cases. Sometimes benefits do not begin until a day or a week or even a month has elapsed. This is like the clause in an automobile collision policy where the owner of the car pays the first $25 or $50 of damage himself. Special types of policy are also designed to cover certain specified classes of accident such as those caused by an automobile, or sickness, brought on by certain diseases.

In contracts of this kind, where the liability of the insurer is limited in some way, the premiums are usually lower than when the protection is broader.

Insurance men say there is an increasing demand for accident and sickness policies generally.

Individuals having a better income now than before the war realize the extent of loss they might suffer if laid off work for a while by either accident or sickness. Accordingly, it is believed in some quarters that a larger volume of this type of insurance will be written in coming months.

Insurance Company Reports

Continental

Increases in new insurance and insurance in force are shown by the Continental Life Insurance Co. in its annual report for the year ended Dec. 31, 1941. Insurance in force now totals $44.3 millions. In addition the president, John W. Hobbs, stated that there are now in force 113 immediate annuity contracts, providing total annual payments of $38,169 to annuitants.

Net premiums income was almost the same as in the previous year. Total receipts, including interest, dividends and other funds, were slightly higher. Receipts exceeded total disbursements by $530,004.

Policy payments were slightly lower than in the previous year. The mortality experience, the president states, continued favorable.

Policy reserves were increased during the year and now total over $9 millions.

Assets were higher, gains being shown in holdings of bonds and debentures and stocks. Mortgages held, however, were lower than in the previous year.

Years Ended Dec. 31	1940 $	1939 $
New insurance	6,012,761	5,705,935
Insurance in force	44,300,885	42,413,408
Receipts	1,839,670	1,809,507
Prem. inc.	1,227,009	1,239,916
Int., rents, etc.	501,909	569,591
Other funds	110,751	......
Policy payments	851,149	918,855
Other expenses	458,517	459,368
Assets	10,617,516	10,124,982
Bonds & debs.	4,782,825	4,175,419
Stocks	1,279,434	1,178,239
Mortgages	1,861,029	1,915,898
Real estate	953,113	938,349
Pol. loans	1,251,732	1,300,671
Policy reserves	9,104,912	8,748,821
Surplus	647,051	638,651

Excelsior

An increase in the total amount of insurance in force at the end of 1940 is reported by the Excelsior Life Insurance Co. In common with the experience of many other companies, new insurance written during the year was slightly lower.

Total income for the year showed a small gain, net premium income being down slightly but income from rent, dividends, etc., being higher.

Payments to policyholders were about $100,000 higher due to larger disbursements on death claims, annuities, matured endowments and policies surrendered.

Of the total payments, over 74% was to living policyholders. The mortality experience was stated to be favorable.

An increase in assets was due to expansion in holdings of bonds and debentures and stocks. Bonds and debentures at Dec. 31 formed 62.91% of total assets and mortgages 13.15%.

President Alex Fasken, in his remarks, stated that during the year which marked the golden jubilee of the company, 10% of its field organization had enlisted in the armed forces. He anticipated that in 1941, with curtailed buying of luxury goods, Canadians would purchase more life insurance, war bonds and war savings certificates.

Year Ended Dec. 31	1940 $	1939 $
New insurance	13,202,157	14,693,621
Insur. in force	116,414,086	113,126,478
Receipts	4,129,047	4,114,834
Net prem. inc.	3,096,099	3,107,289
Int., rents, etc.	1,032,947	1,007,544
Policy payts.	2,150,977	2,049,434
Death claims	558,175	459,278
Sun. policies	772,497	744,212
Annuities, etc.	25,443	22,007
Matured endows.	308,690	278,098
Mat. inv. pol.	145,260	185,056
Profits to p'hldrs.	301,509	317,129
Suppl. contrs.	12,108	12,874
Dis. claims	27,294	30,777
Expenses	1,003,965	983,238
Assets	24,818,436	23,683,986
Mortgages	3,152,037	3,348,626
Bonds & debs.	15,076,972	13,839,568
Real estate	911,162	978,349
Pol. loans	3,109,054	3,196,131
Stocks	1,214,198	939,670
Cash	502,722	553,246
Policy reserves	21,149,375	20,208,252
Free surplus	1,063,444	1,059,886
Int. earned %	4.56	4.80

Monarch Life

Insurance in force with the Monarch Life Assurance Co. of Winnipeg at the end of 1940 totalled $65.3 millions, an increase of 3.9%. This is exclusive of single premium annuities and group insurance. New business placed during the year was slightly higher. G. C. Cumming, general manager, in his remarks, commented on the gain being accomplished in spite of 18% of the company's agency representatives enlisting in the armed forces or going into war industry. Surplus and reserves available for the protection of policyholders, after making full provision for accrued dividends to policyholders, amounted to $1.3 millions. In the assets account, bonds and debentures, Mr. Cumming stated, amount to 42% of the total, stocks account for 12.85%, while mortgages have decreased to about 24% compared with 41% in 1935. Mortality experience was stated to have been generally favorable and the average rate of interest earned was 5.21%.

	1940 $	1939 $
New insurance	8,232,039	8,216,844
Insurance in force	65,345,111	62,900,991
Interest earned	5.21	5.19

Equitable of Canada

Insurance in force with the Equitable Life Insurance Co. of Canada at the end of 1940 amounted to $41.3 millions, a gain of over $300,000 from the previous year. Total income was slightly higher, investment income showing a gain of $48.481 to $649,903.

Payments to policyholders and beneficiaries during the year were higher than in the previous year.

Total assets gained $535,000. In 1940, the president stated, $1.1 million was invested in National Housing Act mortgages, much of this, he said, being placed in localities where there is a housing problem due to the war industry. Total Housing Act Mortgages amounted to over $3 millions. The company reports no losses under this heading. The rate of interest earned on ledger assets was 5%, slightly above that of the previous year.

Policy reserves were increased during the year and surplus also was higher.

	1940 $	1939 $
Insurance in force	41,375,116	41,062,830
Total income	1,813,590	1,791,627
Taxes, licenses & fees	30,369	25,243
Exps. & commissions	275,849	285,527
Policy payments	781,758	687,713
Assets	12,695,621	12,160,415
Policy reserves	11,053,488	10,663,704
Invest. res., etc.	382,500	365,000
Surplus	552,843	507,384

Obituaries

Hugh Paton, president Shedden Forwarding Co. and director Canadian Transfer Co. and Montreal Trust Co., aged 89, at Montreal.

* * *

J. A. D. Henderson, assistant superintendent of agencies for London Life Insurance Co., at London, Ont.

* * *

Dr. O. D. Skelton, Under-Secretary of State for External Affairs, aged 62, at Ottawa.

* * *

James W. Bicknell, barrister, Toronto, aged 47, at Toronto.

* * *

W. F. Travers, building contractor, Toronto, aged 77, at Toronto.

Have Your Plate Glass Insured

The breakage of a Plate Glass show window is a catastrophe to an uninsured shop owner. The cost of replacing Plate Glass is high, especially in war time. Besides the monetary loss, there is disturbance of service, loss of window advertising, and possible damage to stock through exposure consequent on delay in replacement.

A Plate Glass policy with the Consolidated will secure a storekeeper from financial loss due to breakage and the excellent facilities of this company assure replacement with all possible speed and a minimum of inconvenience.

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Pension Plans For Agents

Suggested as Helping to Solve Underwriters' Retirement Problems

Nearly all companies belonging to the American Life Convention are interested in some form of retirement programmes for their soliciting agents, Colonel C. B. Robbins, manager and general counsel for the convention, stated in an address at Minneapolis.

Answers to a questionnaire sent out showed that at least 17 Canadian and 14 United States life insurance companies, each having more than $125 millions insurance in force, are maintaining such plans, he said.

Life underwriters themselves could materially simplify the problem of old age retirement, he thought, if they would only use with themselves the same arguments they use with others when selling retirement plans.

Fair Compensation

The fairest compensation for the life underwriter, meaning the man who actually goes out and obtains applications for insurance, he declared, was on a commission basis. Every imaginable scheme, he said, had been tried—salaries, part salary and part commission, and commission only. The commission plan, during the early years of a life underwriter's career, he believed, could very well be supplemented by a guaranteed income of some sort. This would ensure the underwriter receiving a living wage during his early apprenticeship in the business. This plan, he stated, is being tried in a considerable number of companies.

Fraser Realties Ltd. Surrenders Charter

From Our Own Correspondent

MONTREAL.—Charter of Fraser Realties Ltd., subsidiary of Fraser Cos., has been surrendered, the Quebec Official Gazette announces.

Fraser Realties Ltd. formerly owned timberlands in Quebec. In the past year, all its assets and liabilities were transferred to Fraser Cos. and the parent company asked permission to surrender the subsidiary's charter.

SECRETARY

Peter McDonald has been appointed secretary of the Crown Life Insurance Co. Mr. McDonald has been acting secretary for the past year.

Life Insurance Notes

Conserving Business

A feature of the annual statements of Canadian life insurance companies issued so far is the number reflecting the efforts made during the year to conserve business already on the books. In a number of cases where new insurance written was lower than in the previous year, the conservation of old business resulted in an increase in business in force at the end of the year. In some cases a drop in reassurance received from other companies affected the total, although direct written business was higher.

Mortality rate seems to have been generally favorable. The war so far has not been a factor in mortality. Suggestions made in some quarters that the extra war premiums should be reduced because of the small number of casualties are met with the reply that if the war breaks wide open in Britain or elsewhere the casualties will probably be very heavy. One or two heavy battles on the shores of England might change the picture entirely.

In many cases, it is understood, Canadians who have taken out life insurance with the war clauses in the policies have done so with the object of having the insurance on their return from overseas. Apart from this they regard it just as a savings fund.

If they do not pay the extra premium and die overseas, their beneficiaries will have the premiums returned with interest at 3%. But if the policyholder lives through the war and for six months after his return to Canada, the war clauses become inoperative and he is fully insured. It makes no difference if he has in the meantime become uninsurable as a result of his war service.

* * *

Exempt Premiums?

The Life Underwriters Association of Canada is considering asking the Dominion Government to exempt life insurance premiums from income tax, according to C. V. Earle, chairman of the Association board. Mr. Earle stated that while it was the practice in England to make such an exemption, the Dominion Government might not feel like doing so on account of the need of raising funds for the war.

* * *

Sales of ordinary life insurance in the United States in 1940 amounted to a little over $6.5 billions, the best record since 1937, it is stated. The actual gain for the year was $139 millions or a little over 2%. December sales were $596 millions or about 5% more than in Dec., 1939.

* * *

No Need to Apologize

The life insurance agent has no need to apologize for his business, J. E. Kavanagh, third vice-president of the Metropolitan Life Insurance Co. told the Life Underwriters Association of Toronto. The agent is not asking for favors, he is really in the business of an educator and a manager of people's affairs, Mr. Kavanagh said. Lack of a proper concept of one's business, he stated, was one of the most common causes of failure. He warned salesmen against the danger of "overtalking" as compared with "the value of underwriting." Life insurance, he declared, was a profession doing a constructive job for the community.

Fire Insurance Notes

According to estimates of the Dominion Fire Commissioner, defective stoves, boilers, smoke pipes and defective or overheated chimneys or flues cause 9,000 fires in Canada annually, representing a loss of $3.5 millions. People interested in fire prevention point to the need of frequent and thorough inspection of heating equipment to make sure there is no unnecessary fire hazard. Replacement of old methods of heating, it is stated, has been responsible in part for the reduction in fire losses in recent years.

* * *

As a result of improved loss experience in 1940 premiums for bodily injury and property damage insurance on all private passenger automobiles, commercial cars and garages have been reduced 7.8% all through New York State. In making the announcement, Superintendent L. H. Pink stated that the cost of insurance was controlled by the drivers themselves. The favorable experience of 1940 he attributed partly to the greater efficiency in traffic regulations and safety engineering. Educational work carried on by municipalities, chambers of commerce and the companies themselves, he said, had been very helpful in reducing the loss ratio.

HOW DANGEROUS IS Whooping Cough?

WHOOPING COUGH is a highly contagious disease that strikes most savagely at babies less than two years old.

Nearly fifty per cent of all cases of whooping cough occur during the first two years of life . . . while two-thirds of the deaths it causes occur during the first year.

In addition to the terrible toll directly taken by this disease, it sometimes causes permanent heart damage and may lower resistance to pneumonia and tuberculosis.

It is spread by discharges from the nose and throat of those who have whooping cough—even in its earliest stages. So it is vitally important to do everything in your power to keep children, especially infants, away from any persons who cough or appear to have colds.

When to Suspect This Disease

The first signs of this enemy of the very young are so commonplace that all too frequently they go neglected.

They are the symptoms of many a common cold—running nose, a tight, dry cough, perhaps slight fever. But they should warn you to call your doctor immediately—particularly if the cough persists and grows worse at night.

When called in time, your doctor can do a great deal to relieve the child's distress. He will tell you how to isolate the child. He can help to guard against serious complications. He can advise when it is safe for the convalescent whooping cough patient to come in contact with others again, to resume play and school.

Protecting Others

Your doctor will also determine whether the use of vaccine or serum on other children is advisable to protect them. Physicians in increasing numbers report a favourable experience in immunizing children against whooping cough by these means.

To help parents protect their children, Metropolitan offers a newly revised free leaflet called "Whooping Cough." Address Booklet Department 2-F-41, Canadian Head Office, Ottawa.

Metropolitan Life Insurance Company
(A MUTUAL COMPANY)
NEW YORK
FREDERICK H. ECKER, *Chairman of the Board*
LEROY A. LINCOLN, *President*
CANADIAN HEAD OFFICE—OTTAWA

The Independent Order of Foresters

The Certificates issued by The Independent Order of Foresters furnish a wide range of insurance protection, and associated with membership there are valuable fraternal benefits.

Mortuary Benefits, Sick Benefits, Disability Benefits, Old Age Benefits, Automatic Non-forfeiture Privileges, and Certificates maturing at ages sixty and sixty-five.

ASSETS OVER $44,000,000.00
FRANK E. HAND, Supreme Chief Ranger

Head Office: - - Toronto, Canada

Position of Chartered Banks of Canada as of December 31, 1940, Shown by Monthly Returns to Minister of Finance

LIABILITIES

NAME OF BANK	Notes in Circulation	Deposits by and Bal. Due to Dominion Government	Deposits by and Bal. Due to Provincial Governments	Advances from Bank of Canada	Demand Deposits in Canada	Savings Deposits in Canada	Deposits Elsewhere▲	Bal. due to other Banks in Canada	Due to Banks in U.K.	Due to Banks Elsewhere	Bills Payable	Letters of Credit outstanding	Other Liabilities	Dividends Declared and unpaid	Reserve Fund	Capital Paid Up	Total Liabilities
	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$
Montreal	19,168,505	31,069,503	17,584,505	....	280,344,626	427,670,550	91,112,431	3,726,537	11,580,490	8,459,572	....	12,313,570	3,886,426	61,772	39,000,000	36,000,000	981,978,492
Nova Scotia	8,058,969	5,195,293	952,542	....	60,079,436	152,701,558	41,710,733	3,280,734	1,605,335	988,670	....	6,702,680	818,868	361,916	24,000,000	12,000,000	327,456,840
Toronto	3,307,799	1,963,031	1,173,982	....	51,938,686	88,638,985	397,474	238,310	1,140,739	480,219	....	1,690,941	....	7,663	9,000,000	6,000,000	165,977,833
Provinciale	2,457,403	1,060,074	537,017	....	9,719,935	37,658,256	11,551	....	11,188	19,810	....	21,035	3,636	5,388	1,000,000	4,000,000	56,505,268
Commerce	15,874,575	9,427,477	17,833,453	....	203,080,207	318,827,280	70,883,312	649,487	4,305,430	5,523,819	....	22,931,994	....	628,892	20,000,000	30,000,000	719,965,931
Royal	22,509,118	7,462,431	13,750,760	....	277,808,760	340,623,455	191,450,227	114,075	3,281,976	8,405,219	16,974	19,082,114	1,094,939	53,466	20,000,000	35,000,000	940,653,520
Dominion	3,655,129	1,091,257	899,608	....	44,430,247	77,442,809	5,620,033	1,762,851	781,350	672,073	....	1,640,342	558,813	177,385	7,000,000	7,000,000	152,731,903
Nationale	4,045,857	2,751,202	2,348,300	....	37,338,368	97,684,188	471,050	1,830,614	57,112	355,521	....	379,549	40,949	9,245	5,000,000	7,000,000	159,311,960
Imperial	4,251,660	3,129,458	11,378,973	....	53,355,630	93,967,048	259,992	1,220,602	1,661,549	834,264	....	2,273,291	....	183,199	8,000,000	7,000,000	187,515,669
Barclay's (Canada)	459,625	3,089,346	43,570	....	3,590,304	6,099,716	2,676,319	177,381	3,400,434	783,032	....	513,129	....	....	750,000	1,500,000	23,082,861
Total	83,788,640	66,239,172	66,502,710	....	1,030,686,199	1,641,313,845	404,593,122	13,000,591	27,825,573	26,522,199	16,974	67,548,645	6,403,631	1,488,926	133,750,000	145,500,000	3,716,180,277

SUPPLEMENTARY INFORMATION

NAME OF BANK	Capital Authorised	Capital Subscribed	Last Dividend	*Loans to Directors and firms of which they are Partners	Average Notes and Deposits with Bank of Can.	Greatest Amount of Notes in Circ.
	$	$	%	$	$	$
Montreal	50,000,000	36,000,000	8	449,665	93,311,226	19,868,150
Nova Scotia	15,000,000	12,000,000	12	2,751,926	21,904,000	9,104,718
Toronto	10,000,000	6,000,000	10	432,796	17,946,499	3,497,219
Provinciale	5,000,000	4,000,000	6	241,106	7,972,681	2,662,183
Commerce	50,000,000	30,000,000	8	1,368,695	57,025,467	17,118,654
Royal	50,000,000	35,000,000	8	1,616,501	68,331,709	25,103,351
Dominion	10,000,000	7,000,000	8	547,376	14,614,466	4,473,994
Nationale	10,000,000	7,000,000	10	354,057	16,269,968	4,181,135
Imperial	10,000,000	7,000,000	8	566,917	11,997,301	5,026,465
Barclay's (Canada)	1,500,000	1,500,000	10	2,463	1,632,966	487,305
Total	211,500,000	145,500,000	....	8,321,502	311,206,283	91,525,153

▲Of this amount, $47,898,657 represents deposits in Canada in currencies other than Canadian. *And loans for which they are guarantors.

ASSETS

NAME OF BANK	Gold and Subsidiary Coin Held in Canada	Gold and Subsidiary Coin Held Elsewhere	Notes of Bank of Canada	Deposits with Bank of Canada	Notes of Other Banks	Govt. and Bank Notes other than Canadian	Cheques on other banks	Balances due by other banks in Canada	Due by banks in U.K.	Due by banks elsewhere	Govt. sec. short term	Govt. sec. long term	Canadian municipal securities	Public sec. other than Can.
	$	$	$	$	$	$	$	$	$	$	$	$	$	$
Montreal*	1,553,421	84,821	27,131,233	61,101,981	1,043,495	508,022	49,036,804	....	4,169,604	44,556,102	235,002,663	172,643,861	19,403,363	19,275,143
Nova Scotia	435,392	1,149,838	7,381,318	17,105,057	246,628	6,063,792	13,594,660	....	6,464,711	11,167,871	49,371,039	58,660,425	11,111,525	738,240
Toronto	310,166	....	4,531,571	15,186,281	159,700	71,921	7,364,693	....	13,672	2,618,972	25,486,639	43,594,044	4,931,760	....
Provinciale	288,538	....	2,437,097	5,633,285	162,875	58,929	2,264,254	4,173	....	749,236	1,950,965	7,229,071	12,778,459	....
Commerce†	1,097,351	155,181	16,940,165	47,232,886	553,495	1,580,549	31,479,691	299,953	7,166,690	31,797,535	100,322,593	113,712,065	9,992,962	22,458,511
Royal‡	1,569,357	2,244,792	22,930,457	41,588,274	992,380	20,322,468	42,899,517	6,279	16,365,312	32,224,272	195,958,660	125,699,484	6,961,012	8,705,807
Dominion	342,610	456	4,211,615	10,363,303	268,295	137,216	7,688,506	3	2,377,221	3,455,537	25,980,923	13,997,945	1,964,175	222,500
Nationale‖	575,895	....	6,274,150	11,125,414	298,070	63,746	6,668,596	1,594,993	8,084	1,526,262	14,284,426	26,230,058	17,260,601	9,673
Imperial	408,867	....	6,390,755	6,448,023	249,385	77,246	10,294,916	654,060	67,387	2,350,660	39,531,521	28,728,519	7,890,488	....
Barclay's (Can.)	2,412	....	77,223	1,960,441	2,290	5,258	975,741	730,618	1,593,663	2,754,534	3,411,525	6,643,172	1,000	....
Total	6,584,010	3,635,088	98,305,584	217,744,945	3,976,614	28,890,247	172,267,378	3,290,079	38,226,344	133,200,987	691,300,954	597,138,644	92,295,345	51,409,874

NAME OF BANK	Other bonds and stocks	Call and short loans in Canada	Call and short loans elsewhere	Current loans in Canada	Current loans elsewhere	Loans to provincial governments	Loans to municipalities	Non-Current loans	Real estate other than Bank premises	Mortgages on real estate	Bank Premises	Deposit for note circulation	Other assets	Total assets•
	$	$	$	$	$	$	$	$	$	$	$	$	$	$
Montreal*	26,180,363	3,856,783	17,967,547	212,048,151	16,677,734	4,900,468	35,140,513	1,150,184	501,492	464,264	13,900,000	1,075,362	1,686,806	983,373,845
Nova Scotia	11,235,985	5,052,312	333,860	93,339,016	14,390,566	799,100	3,828,911	401,583	....	82,152	6,114,380	449,170	2,453,506	328,682,731
Toronto	2,774,346	1,215,585	....	51,098,591	....	....	3,751,349	65,943	....	12,161	3,243,270	187,406	....	169,309,021
Provinciale	1,312,125	3,132,690	....	13,148,279	....	9,416	2,395,082	50,683	493,937	294,010	2,077,552	140,978	117,096	56,779,773
Commerce†	18,016,977	8,574,680	8,553,174	216,582,227	17,100,768	8,192,178	14,251,155	1,775,565	2,370,084	1,083,879	14,205,744	847,000	4,259,997	723,535,164
Royal‡	31,972,836	9,559,610	13,659,763	226,108,664	81,285,721	1,407,560	17,937,396	1,785,463	2,093,525	681,574	14,439,643	1,340,000	4,028,712	943,851,667
Dominion	1,791,087	2,309,293	1,713,410	66,525,632	1,153,126	....	1,451,744	187,269	30,680	48,074	5,488,810	281,950	203,271	153,714,984
Nationale‖	4,526,732	3,553,273	....	48,142,233	....	717,626	5,660,554	184,633	1,719,679	597,486	4,894,379	251,767	172,354	159,720,228
Imperial	57,805	2,914,834	....	67,937,284	....	486,000	4,975,136	347,584	76,625	298,564	5,753,642	258,327	52,378	188,533,413
Barclay's (Can.)	....	210,125	....	3,744,784	....	....	....	6,047	....	....	450,000	20,556	....	23,103,326
Total	98,863,256	40,278,985	43,227,854	998,674,981	130,616,915	16,531,348	92,391,840	5,985,754	7,285,906	3,562,164	70,567,420	4,832,516	13,974,320	3,730,603,151

*The business of the Bank in San Francisco, U.S.A., is carried on under the name of a locally incorporated company and the figures are incorporated in the above statement.—Footnote to Bank of Montreal return.

†The Canadian Bank of Commerce (California) has been incorporated under the laws of the State of California to conduct the business of the Bank in that State and the assets and liabilities of the Canadian Bank of Commerce (California) are included in the above general statement.—Footnote to Canadian Bank of Commerce return.

‡The assets and liabilities of the Royal Bank of Canada (France) are not included in the above return.—Footnote to Royal Bank return.

‖The assets and liabilities of the Banque Canadienne Nationale (France) are not included in above return.—Footnote to Banque Canadienne Nationale return.

•Total assets include $67,548,645 letters of credit as shown in liabilities.

ASSETS

In Excess of

$45,000,000

IN CANADA AND
THE
UNITED STATES

▼

THE EMPLOYERS'
LIABILITY ASSURANCE CORPORATION
LIMITED

MONTREAL TORONTO
WINNIPEG CALGARY VANCOUVER

FIRE AND CASUALTY INSURANCE

Montreal Collections Higher in January

From Our Own Correspondent

MONTREAL.—Collections at the port of Montreal in January totalled $13.4 millions, compared with $13.3 millions in the previous month and $9.7 millions in Jan., 1940.

The wide gain in customs and excise collections in the past few months may be judged when compared with Jan., 1939, when collections totalled $6.9 millions. In Jan., 1933, a total of $4.3 millions was shown. This marked the depression low point.

The MONARCH LIFE ASSURANCE COMPANY
ESTABLISHED—1906

35th ANNUAL REPORT

FEATURES --
STRENGTH and SOUND GAINS

Business in force increased to - -	$65,345,111.00
New Business increased to - - - (Exclusive of Revivals and Immediate Annuities)	8,232,039.00
Payments to Beneficiaries and Policyholders - - - - - -	1,222,813.42
Premium Income - - - - - -	1,708,290.87
Assets - - - - - - - - - - - -	15,705,811.31
Free surplus and reserves increased by $86,062.44 to - - - (After full provision for all liabilities and legal reserves)	1,055,577.79
Average interest earned - - - -	5.21%

Discuss Your Life Insurance Problems with a MONARCH LIFE AGENT.

E. J. TARR
PRESIDENT

G. C. CUMMING
GENERAL MANAGER

The Equitable Life Has Strong Report

Balance Sheet, December 31st, 1940

ASSETS

Real Estate:		
Office Premises	$ 95,000.00	
Other (Held for Sale)	539,407.26	
		$ 634,407.26
Mortgages on Real Estate		6,495,368.31
Agreements for Sale		287,459.89
Loans on Collateral		6,541.56
Loans on Policies		1,499,733.70
Bonds and Debentures		3,309,338.73
Stocks		116,003.75
Cash on Hand and in Banks		50,038.70
Interest Due		30,594.37
Interest Accrued		99,522.81
Premiums Due and Deferred (Net)		166,611.98
TOTAL ASSETS		$12,695,621.06

LIABILITIES

Policy and Annuity Reserves	$11,053,488.00
Provision for Unpaid and Unreported Claims	121,268.00
Amounts Left with Company at Interest	190,764.00
Premiums Paid in Advance	20,607.79
Interest Paid in Advance	454.09
Cashiers' Credit Balances	215.32
Taxes, Expenses and Accounts Due and Accrued	38,921.69
Other Liabilities	1,273.48
Dividends Allotted to Policyholders	6,131.00
Investment and Contingency Reserves	382,500.00
CAPITAL PAID IN	327,155.00
SURPLUS	552,842.69
TOTAL LIABILITIES	$12,695,621.06

This Report is featured by: Gain in Assets $535,206 ... Policy Reserves increased by $389,784, the total exceeding statutory requirements ... Real Estate and Mortgage reserves increased and accounts carried below book value ... Bonds, Debentures and Stocks taken below market value ... Contingency Reserves increased ... Surplus gained $45,458 ... Insurance in Force increased to $41,375,116 ... Interest earned on ledger assets increased to 5.00% ... The strongest Report in the Company's history.

PROTECTION
THE EQUITABLE LIFE
INSURANCE COMPANY OF CANADA
HEAD OFFICE—WATERLOO, ONTARIO

Banking

Public Savings Increase As Earnings Expand

Interest-bearing Deposits in Banks Show Gain Over Previous Month—Current Loans Record Less Than Seasonal Decline

Canadian people, receiving a larger national income as a result of war work, are depositing a considerable portion of their increased earnings in the chartered banks. This is shown by the regular monthly return of the banks to the Minister of Finance as of Dec. 31, 1940.

Savings deposits in Canada on the date of the return were $15 millions higher than at the end of the previous month. While the total was still $99 millions under the same date of the previous year, the decrease in the yearly comparison was $11 millions less than at the end of November.

Demand Deposits Up

Demand deposits were substantially higher in both the yearly and monthly comparisons, reflecting the more active state of business. Total public deposits were higher. This indicates the extent to which the savings of the people invested in the first and second war loans are being replaced out of current earnings. These public deposits are considered likely to increase as fuller employment of the public is reached and earnings increase further.

Considerable money will be diverted in the coming months to the purchase of War Savings Certificates. But it would seem probable that by the time the third loan is floated savings deposits at the present rate of increase will be within striking distance of the high record of $1.7 billion reached in Jan., 1940.

Deposits of the Dominion Government were lower for both the month and the year, reflecting expenditures for war supplies. Foreign deposits were higher on the month but lower on the year.

Current Loans Lower

Current loans, while above the level of the preceding year, were lower than at the end of November. This is evidently due to commercial firms reducing their loans at the end of the year in order to show a more liquid position in their annual reports. A decline in current loans has usually been in evidence on Dec. 31 compared with a month earlier. The decline in December was a little under the average for the last seven years.

Call loans continued to decline, reflecting the lack of speculative activity in the security and commodity markets. Provincial loans were slightly higher, possibly due to weather interfering with the collection of provincial revenue from ordinary sources such as the gasoline tax and necessitating the provinces borrowing for current needs. Municipal borrowings were lower.

With deposits increasing more rapidly than loans in Canada, The Financial Post Credit Index, which is the ratio of current and call loans to savings deposits, was lower both for the month and for the year.

Use of Bank Credit in Canada
(In Millions of Dollars)

	December 1940 $	November 1940 $	Change $	December 1939 $	Change $
Loans	1,147.9	1,169.0	—21.1	1,140.7	+7.2
Investments	1,531.0	1,512.5	+18.5	1,645.9	—114.9
Total	2,678.9	2,681.5	—2.6	2,786.2	—107.7
Deposits	2,672.0	2,588.4	+83.6	2,594.0	+78.0
Credit index*	38.8%	41.0%	—2.2	39.0%	—0.2

*Ratio of current and call loans in Canada to demand and savings deposits in Canada.

ASSETS

	December 1940 $	November 1940 $	Change $	December 1939 $	Change $
Fixed Assets					
Canadian coin	6,584,010	6,189,832	+394,178	4,391,097	+2,192,913
Bk. of Can. notes	98,305,584	75,844,824	+22,460,760	70,572,780	+27,732,804
Bk. of Can. depos.	217,744,945	231,193,497	—13,448,552	216,996,195	+748,750
Bank's cash	322,634,539	313,228,153	+9,406,386	291,960,072	+30,674,467
Other banks notes	3,976,614	3,167,612	—809,002	5,429,307	—1,462,693
Gold & sub. coin abd.	3,635,088	3,686,863	—51,775	4,610,569	—975,481
Foreign banks	171,427,331	191,600,345	—20,173,014	199,056,752	—27,629,421
Foreign curr.	28,890,247	27,651,818	+1,238,429	34,917,792	—6,027,545
Gov. sec. short term	691,300,954	699,667,085	—8,366,131	671,231,318	+20,069,636
Do., long term	597,138,644	578,965,611	+18,173,033	682,111,959	+84,973,315
Call loans abroad	42,227,854	35,324,392	+6,903,462	48,661,689	—6,433,835
	1,861,231,271	1,853,291,879	+7,939,392	1,937,989,458	—76,758,187
Loans and Securities Other Than Those of Canadian Government					
Municipal secs.	92,295,345	91,019,735	+1,275,610	99,117,341	—6,821,996
Public secs.♦	51,409,874	43,979,296	+7,430,578	71,698,005	—20,288,131
Other secs.	98,868,256	98,824,940	+43,316	121,806,690	—22,938,434
Can. call loans	40,278,985	41,310,618	—1,031,633	52,868,934	—12,589,949
Current loans	998,674,961	1,021,276,282	—22,601,321	960,264,582	+38,410,379
Loans abroad	130,616,915	127,579,727	+3,037,188	147,160,322	—16,543,407
Prov. loans	16,521,348	13,805,231	+2,716,087	15,709,137	+812,211
Mun. loans	92,391,840	92,622,309	—230,469	111,916,976	—19,525,136
	1,521,057,524	1,530,418,158	—9,360,634	1,580,541,987	—59,484,363
Other Assets					
Non-current loans	5,985,754	6,115,095	—129,341	8,309,502	—2,323,748
Real estate	7,285,996	7,322,976	—36,990	7,732,185	—446,189
Mortgages	3,562,164	3,597,366	—35,202	4,025,425	—463,261
Premises	70,567,420	70,493,647	+73,773	71,893,288	—1,325,868
Letters of credit	67,548,645	67,293,296	+255,349	53,280,090	+14,268,555
Loans to comp.	11,116,432	11,415,563	—299,131	11,311,479	—195,047
Other assets	1,858,002	1,859,029	—1,027	1,909,439	—51,437
	167,924,413	168,096,972	—172,559	158,461,408	+9,463,005
Total	3,550,213,208	3,551,807,009	—1,593,801	3,676,992,853	—126,779,645
Note circ. dep.	4,832,516	4,829,171	+3,345	5,069,151	—236,635
Int. bank bal.	175,557,457	125,390,398	+50,167,059	139,898,517	+35,658,940
Gross	3,730,603,181	3,682,026,578	+48,576,603	3,821,960,521	—91,357,340

LIABILITIES

	December 1940 $	November 1940 $	Change $	December 1939 $	Change $
To the Public					
Circulation	83,788,640	90,903,096	—7,114,456	90,061,563	—6,272,923
Dom. Govt.	66,239,172	95,649,754	—29,410,582	129,544,258	—63,305,086
Prov. Govt.	66,502,710	73,497,553	—6,994,843	50,496,753	+16,005,957
Deposits by Public					
Demand dep.	1,030,686,199	962,492,339	+68,193,860	852,999,234	+177,686,965
Savings dep.	1,641,313,845	1,625,878,423	+15,435,422	1,741,058,768	—99,744,923
Total	2,672,000,044	2,588,370,762	+83,629,282	2,594,058,002	+77,942,042
Foreign dep.	404,593,122	398,783,923	+5,809,199	474,477,916	—69,884,794
Due to Banks Abroad, Etc.					
United Kingdom	27,825,573	26,265,133	+1,560,440	78,403,335	—50,577,762
Foreign	26,522,199	26,842,630	—320,431	37,779,980	—11,257,781
Bills payable	16,974	43,013	—26,039	330,457	—313,483
Letters of credit	67,548,645	67,293,296	+255,349	53,280,000	+14,268,645
Other liabs.	6,403,681	5,643,289	+760,392	4,897,434	+1,506,247
Total pub. liabs.	3,421,440,760	3,373,292,449	+48,148,311	3,513,329,698	—91,888,938
Due bet. banks	13,000,591	11,533,021	+1,467,570	13,086,892	—86,301
Liability to Shareholders					
Dividends	1,488,926	2,263,055	—774,129	1,423,473	+65,453
Reserve	133,750,000	133,750,000	....	133,750,000	....
Capital	145,500,000	145,500,000	....	145,500,000	....
Gross	3,715,180,277	3,666,338,525	+48,841,752	3,807,090,063	—91,909,786

♦Other than Canadian.

Canada Gains $28 Millions In New Import of Capital

Canada's international trade in securities for the first 11 months of 1940 resulted in a net import of capital totalling approximately $28 millions. This compares with a balance of $68 millions in the same period of 1939.

Almost all of this net import of capital came from the United States last year as was the case in the previous year. Net sales to United States in 1940 totalled $29 millions compared with about $54 millions in 1939. Net sales to countries other than the United Kingdom and United States dropped from $20 millions in 1939 to $1 million in 1940.

From the United Kingdom Canada repatriated $2.2 millions in the first 11 months of 1940, less than half the comparative figure for 1939.

November showed a heavier volume in total trading and larger balance of sales than recent months. Excess of sales over purchases was $2.4 millions compared with about $500,000 in October.

In November repurchases from the United Kingdom amounted to about $600,000 distributed among the various groups of Canadian stocks and bonds. It is pointed out, however, that official repatriation operations are not reflected in these statistics on the international trade in securities.

Selling U. S. Stocks

Two features seem to stand out in Canada's trade in securities with the United States in the 11 months ended last November. Most striking is the fact that Canadians sold over $33 millions of U. S. common and preference stocks while repurchasing only about $16.6 millions. This indicates that a gradual liquidation of Canadian holdings of U. S. securities has been taking place. In bonds, sales of U. S. issues amounting to about $4 millions exceeded repurchases by almost $2 millions.

Canadians have sold approximately $12 millions more of Canadian bonds and debentures to American purchasers than they have purchased from that country.

11 Months Ended Nov., 1940

	Total Sales To $000	Total Purch. From $000
Bonds & debents, total	58,586	47,650
Candn. new issues	1,392	....
Candn. outstd. issues:		
Dominion	18,513	11,822
Provincial	6,371	4,714
Municipal	3,094	1,727
Dom. guaranteed	8,531	9,997
Other railway	983	3,296
Other corporations	9,100	6,281
U. S. new issues:		
Government	....	968
Other	....	794
U. S. outstd. issues:		
Government	561	514
Other	3,571	1,726
U. K. new issues:		
Government	....	35
Other	....	169
U. K. outstd. issues:		
Government	423	39
Other	682	635
Other countries, new issues	......	105
Other countries o/s issues	1,930	997
Unspec. bonds & debs.	3,434	3,833
Com. & pref. stocks:		
Canadian	22,923	23,397
United States	33,471	16,680
United Kingdom	132	29
Other countries	284	11
Short term secs.	26	66
Other securities:		
Canadian	330	253
United States	62	1
United Kingdom	8	....
Other countries	1	....
Grand total	115,823	88,067

Assets Reflect Bond Buying

Investments of Bank of Canada Rise—Exchange Holdings Decline

A drop of $4.5 millions in holdings of sterling and United States exchange is shown in the statement of the Bank of Canada for the week ended Jan. 29. As investments in government bonds the same week rose about $4.7 millions, it is probable the two transactions represent repatriation of Canadian securities held abroad. Total assets rose $1.2 million, the increase being mainly in miscellaneous items.

On the liabilities side, note circulation due to seasonal influences fell $2.2 millions. An increase of $2 millions in total deposits was due mainly to expansion in deposits of the chartered banks and of the Dominion Government, other deposits being slightly lower.

	Jan. 29 1941 $	Jan. 22 1941 $
Liabilities		
Capital paid-up	5,000,000	5,000,000
Notes in circ.	342,248,838	344,407,115
Rest fund	2,449,756	2,449,757
Depos.: Dominion	27,004,169	26,455,697
Bank	218,761,288	214,954,307
Other	6,081,807	8,492,715
Total deposits	251,847,264	249,902,719
All other liabs.	8,273,383	6,782,660
Total liabs.	609,819,241	608,542,251
Assets		
Reserve:		
In sterl. & U. S.	31,872,369	36,322,370
Subsidiary coin	855,602	729,113
Investments:		
Dom. gov. short	437,529,476	433,923,975
Other Dom. Gov.	132,657,153	131,527,696
Total invest.	570,186,629	565,451,671
Premises	1,702,869	1,703,102
All other assets	5,201,772	4,335,995
	609,819,241	608,542,251

Bank Chat

Opening of two new branch banks is reported in the Bank Directory of Canada for January. These are: one by the Dominion Bank at Main and James Streets, Hamilton, and one by the Provincial Bank at St. Timothee, Que.

Eight branches were closed, these being:

Commerce at Bright, Ont.; Edam, Sask., and Innerkip, Ont.

Montreal at Oakville, Man., and Paradise Valley, Alta. (the latter being closed for the winter months).

Royal at Ninga, Man., and Scott, Sask.

Nova Scotia at Parkside, Sask.

With the opening of its new branch at Main and James Streets Hamilton, the Dominion Bank now has five branches in that city. The new branch becomes the main office for Hamilton under the managements of Norman Evans, formerly manager of the bank's office at King and McNab Streets which will be continued with H. E. Traviss in charge. The new main office is located on the ground floor of the Sun Life Building which has been changed and modernized. The first branch of the Dominion in Hamilton was opened Feb. 1, 1871, 70 years ago.

* * *

The Bank of Toronto plans to erect a new bank building at the northeast corner of Bloor St. West and Royal York Road in Toronto. It is expected that work will be started this spring.

Monthly Bank Clearings

	January 1941 $	January 1940 $
Halifax	13,650,358	12,453,291
Saint John	9,432,359	10,565,580
Moncton	3,427,011	3,324,649
Sherbrooke	3,357,462	3,166,155
Quebec	19,995,466	19,431,538
Montreal	421,674,904	395,670,957
Ottawa	199,490,204	87,541,113
Peterborough	2,570,396	2,567,646
Toronto	549,569,830	435,574,148
Hamilton	25,917,378	26,097,146
Kitchener	4,845,129	4,640,722
Brantford	4,232,718	3,982,782
London	11,883,741	11,003,725
Chatham	2,420,337	2,687,301
Windsor	15,464,708	13,944,812
Sarnia	1,955,791	1,888,402
Sudbury	4,299,049	4,290,874
Winnipeg	158,721,421	209,349,069
Brandon	1,498,027	1,264,489
Moose Jaw	2,930,754	2,583,616
Saskatoon	5,858,024	5,722,794
Prince Albert	1,631,461	1,448,643
Edmonton	19,657,970	17,422,172
Lethbridge	2,081,673	2,008,543
Medicine Hat	1,272,960	933,061
New Westminster	2,879,449	2,689,806
Vancouver	77,502,862	71,817,913
Victoria	7,970,783	7,211,529
Calgary	25,442,847	21,937,822

Weekly Bank Clearings

	Jan. 30 1941 $	Change Year Ago %	Jan. 16 1941 $
Halifax	2,683,211	+5.4	2,984,299
Saint John	2,005,211	—39.9	2,183,305
Moncton	740,984	+8.7	761,033
Sherbrooke	697,821	—6.9	708,714
Quebec	4,052,942	—11.3	4,376,048
Montreal	83,079,962	—0.4	101,347,154
Ottawa	37,366,689	+114.9	31,923,457
Kingston	537,897	—5.2	600,953
Peterborough	407,645	—32.9	571,424
Toronto	96,392,841	+0.3	130,455,060
Hamilton	5,196,948	—8.8	5,833,081
Kitchener	908,844	—11.5	1,070,687
Brantford	819,536	+45.7	846,236
London	2,059,852	—10.6	2,523,461
Chatham	483,065	—24.7	532,662
Windsor	3,395,931	+14.7	3,261,355
Sarnia	318,527	—9.8	464,929
Sudbury	1,009,289	+7.9	775,116
Fort William	659,071	+20.0	895,263
Winnipeg	28,242,111	—34.0	35,185,277
Brandon	278,976	—7.3	320,157
Moose Jaw	412,375	—9.8	610,795
Saskatoon	1,032,646	—6.7	1,241,748
Prince Albert	314,207	+9.5	389,204
Edmonton	3,648,032	+4.1	7,386,890
Calgary	4,987,377	+45.7	6,327,658
Lethbridge	432,591	—2.4	428,324
Regina	3,136,217	—5.3	3,514,275
Medicine Hat	224,766	+35.2	253,178
N. W'minster	676,627	+4.3	670,444
Vancouver	15,601,967	—2.4	17,577,641
Victoria	1,557,243	—0.2	1,944,409

Montreal Commission Offers Bond Issue

From Our Own Correspondent

MONTREAL.—The Montreal Metropolitan Commission is offering $1.2 million of 4½% five-year sinking fund bonds through a syndicate headed by L. G. Beaubien & Co. The bonds are being offered at par, plus accrued interest. They are dated Feb. 1, 1941, and mature Feb. 1, 1946.

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Bank Debits Up 9% In 1940

Gains in All Economic Areas Reflect More Active Business

Greater economic activity in Canada in 1940 is reflected in an expansion in the amount of cheques cashed at the clearinghouse centres. The total of $34.4 billions was $2.8 billions or almost 9% greater than in the previous year.

During the same period The Financial Post Business Index rose almost 15% while employment and various other indices were also higher. Cheques cashed, or bank debits as they are known, showed gains in all five economic areas. The greatest gain in percentage was in the Maritimes, up 21%. Other increases were Quebec 1.6%, Ontario 13%, Prairies 11.7%, and British Columbia 5.8%.

The total for December at $3.2 billions was 5% higher than in 1939. Increases were shown in all economic areas except in Prairies. The comparison there was affected by the smaller payments received by the farmers for wheat this year.

Figures of the 32 clearinghouse centres for December follow:

Debits to Individual Accounts
(Millions of dollars)

	Dec. 1940	Nov. 1940	Dec. 1939
Maritimes			
Halifax	39.8	48.1	39.2
Moncton	12.8	11.9	11.7
Saint John	17.8	18.4	17.2
Total	70.5	78.5	68.1
Quebec			
Montreal	821.9	725.4	791.3
Quebec	119.8	89.6	76.9
Sherbrooke	8.8	8.9	8.6
Total	950.6	823.9	876.8
Ontario			
Brantford	12.6	12.6	10.4
Chatham	12.0	10.7	11.0
Fort William	7.9	7.1	6.5
Hamilton	77.1	76.3	64.8
Kingston	8.0	7.7	7.3
Kitchener	18.4	14.6	15.4
London	41.4	36.9	38.3
Ottawa	201.5	247.6	111.3
Peterborough	8.6	7.2	7.1
Sarnia	7.7	6.6	6.4
Sudbury	7.8	7.5	7.6
Toronto	996.0	939.1	950.6
Windsor	63.3	52.7	39.3
Total	1,462.6	1,426.8	1,276.1
Prairies			
Brandon	4.3	4.2	3.0
Calgary	80.6	73.5	75.3
Edmonton	58.4	53.3	48.2
Lethbridge	5.5	5.7	5.3
Medicine Hat	3.3	3.8	2.4
Moose Jaw	8.2	8.7	10.1
Prince Albert	3.2	3.2	2.8
Regina	43.4	50.3	41.9
Saskatoon	13.5	13.6	12.4
Winnipeg	311.6	327.9	448.3
Total	534.2	544.3	650.1
British Columbia			
New Westminster	8.6	7.7	7.1
Vancouver	148.7	138.9	146.7
Victoria	33.1	28.9	29.8
Total	190.5	175.6	185.6
Total for Canada	3,208.3	3,049.3	3,056.8

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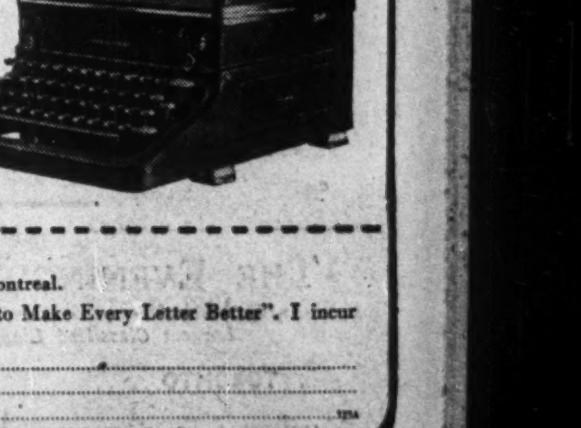

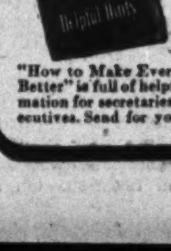

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Typical South American City Belem is Jewel in Wilderness

By RONALD A. McEACHERN
Staff Writer, The Financial Post

BELEM, Brazil—This is an overnight stop on the long (5,870 miles) hop from Rio de Janeiro to Miami. It gave me the best picture I had got of one basic fact about all South America: The big cities are giant jewels dangling in rich, but almost entirely undeveloped wilderness.

Belem is locally called Para. Para is the name of the province. There is, however, nothing much else but the city so there is no mistaking the identity. It is the same with Recife, the main centre in Pernambuco state. The state name is more commonly used.

Belem, or Para, is the big river port for the fabled Amazon. In the old days of big rubber business it was one of the rich and thriving cities of the South. But rubber trees found their way to British Malaya. The great plantations of the Amazon withered under the competition.

About 1,000 miles inland from Belem, Henry Ford is working up an enormous plantation. He has set out a model city in the heart of the jungle.

Belem is a city of perhaps 75,000. It has a Grande Hotel which is unexpectedly comfortable, probably because Pan-American Airways put up much of the money for its modernization. The town itself looks more like the travel pictures of South America than any place else visited. The unique Portuguese style of architecture features Moorish turrets and windows and many walls covered with bright blue, decorated tiles.

Yellow Fever

I went to sleep in a bed completely shrouded with mosquito netting. It gave me a momentary dash of claustrophobia. Of more interest was the very specific warning on the part of the hotel manager to close the netting tight. The dread killer of the tropics, yellow fever, has yet to be conquered.

Though Belem is only a few miles north of the equator the night was very pleasantly cool. What everybody liked better than that was that the air was only about half as damp as in Rio or Buenos Aires.

In the morning, with breakfast—superb Brazilian coffee and tropical fruits—we got news that wild Indians had attacked and killed five men in a government survey party not very far up country.

Flying in Stratoliner

We resumed our flight north about 10 a.m., the first hop so far that hadn't meant a 4.30 rising. Our ship was a Boeing stratoliner, the new four-engine pride of the Panair system. Previously I had travelled either by Sikorsky clippers or Douglas DC 3's.

This part of my notes I am writing 17,000 feet above the jungle; flying around 180 miles an hour. The cabin is sealed tight and pressure is kept at about the same as 7,000 feet above sea level. The air outside is about 40 degrees but the heat is on and it is a comfortable 70 inside, which seems quite cool enough after a month in the tropics and subtropics.

This is quite a ship. Apart from the trans-ocean clippers it is the best thing in the skies. Up in the nose is the flight crew—pilot and co-pilot, engineer and radio operator. Behind them is a navigation room. Then comes the passenger cabin. On the left side are single seats; on the right four magnificent compartments, with broad divans facing each other, and providing seats for six people.

Ceiling and walls are covered with beige shantung silk. The thick carpets are blue. The divans have white slip covers.

These ships have more vibration than the Douglas, but they provide very steady and most agreeable travel. The supercharged cabins help a lot. Yesterday in a Douglas the pilot climbed to 17,500 feet to ride over a storm and the entire cabin load of passengers went fast asleep. All were wobbly at the knees for an hour or two after landing.

I was interested in the emergency equipment. The pilot has a heavy revolver with 50 rounds of ammunition slung over his head. In the navigation room there is another gun with signal shells. Hanging on the wall is a life preserver with 100 feet of rope attached. Underneath the navigation table are emergency rations—corned beef, canned beans, concentrated chocolate, water in metal bottles—first aid equipment, fishing lines and bait.

Tip on Travel Funds

This northward leg of my trip emphasized my wish that I had known more before I left about the best way to handle money problems. Hopping around from one country to another involves constantly changing money from one currency to another. Since I do not expect to go back to South America for a little while at least, I naturally wanted to carry as little money from one country to another because with all the exchange regulations, taxes, etc., every exchange costs money.

For that reason I suggest that with your $50 traveller cheques you carry some of smaller denominations. Try all you like to avoid it, you will very frequently find that you have to cash another of these cheques just as you are about to leave one country for another. You get all stocked up on, say, Argentine pesos and carry a pocketful across the border into Brazil. Converting them into Brazilian milreis costs quite a bit.

Bootleg Exchange

Finding the right place to exchange money is a big consideration for the traveller. In a South American capital I went to one of the big foreign banks and asked them to cash a traveller's cheque. "Better go down the street to the bootlegger," the manager told me. "He can give you a better rate than I'm allowed to." I did and saved about $6.

The bootleg exchange shop was a store as large as a good-sized bank but with none of the impressive fittings. About three dozen black-coated young men were busy behind the counters. I tendered my traveller's cheque. The young man buzzed over a calculating machine and at a cash window 30 feet further on I got my local money. Care is worth while in selecting the bootlegger, to get the best going rate in the free money market.

This money bootlegging seems to go on all over South America.

In talking to a top executive of one central bank, I told him I had been frustrating his exchange control measures by dealing with the bootleggers. I asked him why they tolerated it.

His reply was that it was hard to stop and that the bootleggers accounted for only about 5% of exchange transactions anyway. He said they couldn't be bothered.

Company Reports

Real Estate Loan

Continued redemption of sterling debentures and gradual liquidation of mortgages is shown in the 1940 annual report of the Real Estate Loan Co. of Canada, Toronto. Sterling debentures were reduced some $68,000, while the drop of $82,000 in mortgages helped to bring a rise of $20,000 in liquid assets.

Earnings from the year's operations increased $1,500 over 1939, but higher taxes reduced the net profits $1,300. Included in 1940 earnings was $7,374 profit on the purchase of sterling funds, comparing with a profit of $4,724 from the same source in 1939.

Interest accrued on Vancouver and Edmonton mortgage accounts was written off in 1940, as was some interest due on Winnipeg mortgages for periods over six months but less than one year. All interest due in excess of one year was written off as usual.

Net revenue from real estate amounting to over $15,000 was transferred to reserves and is not shown on the earnings statement.

Annual meeting is slated for Feb. 14, 1941, at the company's head office in Toronto.

Earnings Record

Year	Paid-up capital & reserves $	Net* profit $	Div. rate $	Rate* earned per sh. $
1936	750,000	11,439	2	2.29
1937	740,000	10,543	2	2.11
1938	725,000	11,967	2	2.39
1939	715,000	12,816	2	2.56
1940	715,000	11,524	2	2.30

*After deducting income tax reserves, reserves against real estate, investments and mortgages.

Liabilities to Public
At Dec. 31

	1940 $	1939 $
Debentures & int.	617,699	686,849
Secured by:		
Liquid assets	91,673	71,782
Mtges. & int.†	854,161	940,514
Other net assets	403,678	409,642
	1,349,512	1,421,938

†After deducting reserve of $60,000.

Lake St. John

Reflecting an increase in operating capacity from 58% in 1939 to 75% in 1940, operating profits of Lake St. John Power & Paper Co. jumped from $773,472 to $1,213,717. After interest charges and stepping up depreciation reserve from $286,204 to $556,425, and after $61,000 for income taxes, a balance of $112,117 is shown as applicable for preferred dividends. The latter amounted to $108,000.

The report does not indicate clearly provision has been made for payment of the "excess" profits tax. It would seem, however, that provision has been made for a minimum payment.

Working capital at the end of the year stood at over $2.5 millions compared with less than $2.1 millions at the close of 1939. Included in current assets is $1,128,439 due from Hearst companies, of which sum $96,115 represents current shipments which are being paid for regularly.

The balance sheet further shows an improvement in cash from $3,320 to $510,780; elimination of $436,500 of bank loans; and a reduction in first mortgage bonds from $5,652,600 to $5,540,100.

Profit and loss figures compare as follows:

Profit and Loss Account
Years Ended Dec. 31

	1940 $	1939 $
Operating profits	1,213,717	773,472
Depreciation	556,425	286,204
Net revenue	657,292	487,268
Less: Bond interest ..	307,799	310,893
Debenture interest .	176,375	176,375
Income taxes	61,000	nil
Net profits	112,118	nil
Less: Pref. divds.	108,000	nil
Surplus for year	4,118	nil
Add: Prev. surplus ..	100,716	73,145
Surplus forward	104,834	*73,145
Times Interest Earned:		
Bond interest	2.13	1.57
Bond & debent. int.	1.36	1.00
Earned on preferred	$6.23	nil

*Adjusted by addition of credits from 1938 of $12,061; adjustment depletion reserve of 1936 of $20,948; profit on redemption of first mortgage bonds for s. f., $10,561; less provision for income taxes prior periods of $16,000—leaving balance to carry forward at Jan. 1, 1940, $100,716.

Working Capital

	1940 $	1939 $
Current assets	3,433,633	3,159,146
Current liabilities	872,014	1,074,877
Working capital	2,561,619	2,084,269

Donnacona Paper

Donnacona Paper Co. reports a broad expansion in earning power during 1940. Operating revenue was $1,091,869 as compared with $766,054 in 1939. After providing for interest charges and a sharp increase in depreciation reserve and income and "excess" profits tax provision, net profit of $129,640 was equivalent to 34 cents a share on the capital stock. This compares with 2.4 cents a share the year before.

Working capital position showed a strengthening during the year, current assets exceeding current liabilities by $1,146,682. Current assets do not include notes receivable from the Hearst companies amounting to $638,449. In the previous year net working capital amounted to $1,440,992 and including notes receivable from Hearst of $550,229.

There are relatively few changes in the balance sheet. Bank loans are down slightly at $627,300. Among investments the company shows $117,000 of its own bonds and notes, carried at a cost of $95,845. Inventories at $1,782,690 feature the report and compare with $1,257,386 a year ago.

Comparative figures from the profit and loss statement follow:

Income and Surplus Statement
Year Ended Dec. 31

	1940 $	1939 $
Oper. revenue	1,091,869	766,054
Less: Bond interest ..	296,280	296,280
Note interest	37,318	38,693
Depreciation	558,714	419,849
Income & E.P. tax	69,917	2,246
Net profit	129,640	8,986
Previous surplus	52,073	43,088
Surplus forward	181,713	52,074

Working Capital

	1940	1939
Current assets	2,374,659	*2,322,046
Current liabilities	1,227,977	981,054
Working capital	1,146,682	1,440,992

* Includes notes of Hearst companies.

Montreal Power

Consolidated net income of Montreal Light, Heat & Power Cons., after all charges, including provision for interest, taxes and depreciation, totalled $7,947,034 in 1940. This was equal to $1.77 a share on the common stock and compares with a net income of $9,003,073, or $2.01 a share in 1939.

Gross revenue during the year increased to $28.2 millions, due largely to heavier industrial requirements for electricity and gas. A feature of the expenditures was the heavy increase in taxation. On a consolidated basis the company paid out or reserved approximately $6 millions for all forms of taxes. This represents an increase of 55% over tax payments for the previous year.

Included in additional operating expenses, the report reveals, were $105,263 extra cost for gas supply, reflecting higher costs for coal, an item of $59,964 in connection with the Public Service Board rate enquiry, and $67,230 for wartime protection of the company's properties.

Consolidated balance sheet as of Dec. 31 last reflects the bond refunding programme undertaken during the year. Funded debt in the hands of the public was reduced by about $4.4 millions. Fixed assets increased by $4.4 millions to $224.8 millions. Net working capital position at the end of the year amounted to $4.8 millions, as compared with $8.7 millions at the end of 1939. The principal change in current assets was a decline from $10.9 millions to $8.4 millions in Government bonds, etc. Cash call loans increased from $2.4 millions to $3.2 millions, while accounts receivable were much the same.

Comparative figures from profit and loss statement follows:

Consol. Income and Surplus Account
Years Ended Dec. 31

	1940 $	1939 $
Electric Revenue:		
Domestic	4,354,784	4,218,478
Commercial	5,001,796	4,754,293
Industrial	7,330,636	6,825,172
Wholesale	2,123,199	2,116,970
Export	1,326,630	1,128,848
Secondary power ..	700,516	352,195
Municipal:		
Aqueduct	378,950	369,152
Street lighting	619,631	609,573
Gas Revenue:		
Domestic	3,633,326	3,669,985
Industrial	1,163,798	1,119,899
Other oper. revenue ..	451,668	451,124
Total income	27,084,867	25,615,691
Less: Oper. exps.	7,758,999	7,406,268
Taxes	5,925,738	3,824,186
Depreciation	3,233,279	3,001,083
Fixed charges	3,287,374	3,366,779
	6,879,477	8,017,375
Add: Non-oper. rev..	1,067,557	985,698
Net income	7,947,034	9,003,073
Less: Dividends	6,733,595	6,733,772
Balance	1,213,439	2,269,301
Less appropriations:		
Pension fund	20,000	20,000
Extra depreciation .	750,000	750,000
Balance to surplus ...	443,439	1,499,301

Working Capital

	$	$
Current assets	15,237,613	17,052,471
Current liabilities	10,443,516	8,294,874
Working capital	4,794,097	8,757,597

Lenders Cool Alberta Plan

(Continued from page 1)

loans would be exempted from debt legislation and had legislation drafted with this in view. However, the proposal was not acceptable to lending institutions, which feel that a restoration of the confidence of investors is essential to the resumption of loaning.

A similar proposal is understood to have been rejected by the lending institutions last year, though the Government has been strangely silent about what happened at meetings with eastern representatives of lending institutions last summer. In fact, discussions at a conference called by the Calgary Board of Trade which was attended by representatives of the Alberta Government and the lending institutions, and a subsequent conference between the latter and the Alberta Cabinet, were shrouded in secrecy.

Deal Unlikely

The feeling here is that the possibility of a rapprochement between the lending institutions and the Alberta Government, in regard to Housing Act loans, has been jeopardized by the speech of Hon. Lucien Maynard, Minister of Municipal Affairs, in the Camrose by-election. In that speech, Mr. Maynard suggested the Government may declare a moratorium on private debts.

He defended not only the debt legislation at present on the Alberta statute books but also that disallowed by the Dominion Government and declared ultra vires by the courts.

Local managers of lending institutions do not see how the Alberta Government can reasonably expect National Housing Act loans in the face of this attack on lending institutions, and the defense of confiscatory legislation.

One manager pointed out that Mr. Maynard attacks the mortgage companies and what he calls "the present debt creating system" and at the same time Mr. Low was approaching the companies. He apparently asked them, in effect, to be good fellows and make National Housing Act loans so that the Government will not be embarrassed by the demands from Calgary and Edmonton citizens.

Poor Investment Field

Another manager argued that Alberta could not be regarded as a good field for the investment of mortgage funds. In this connection it is pointed out that the Aberhart Government frankly states that it does not believe in the present economic system and that it would abolish all interest if it had the power to do so.

In fact, members of the Alberta Cabinet, by speeches such as that made by Mr. Maynard, are encouraging borrowers, well able to pay, to evade their obligations.

By its most recent proposal the Alberta Government is deemed to be in effect asking the insurance, trust and loan companies to throw overboard a fundamental principle of sound investment policy. Confidence has always been an important factor in the extension of credit and past experience is of major importance in determining confidence.

Fears of Government

The view here is that Mr. Maynard's suggestion that the Government may declare a moratorium on all private debts will be far from helpful in trying to persuade companies to make Housing Act loans.

It is further held that Mr. Maynard's warning is a direct result of fears of the Government that its Debt Adjustment Act will not stand testing in the courts. In fact, the Supreme Court of Canada has already held that it is ultra vires in so far as it applies to promissory notes.

One reason for the fears of the Government is that several cases are under way which will have the effect of testing the validity of the Debt Adjustment Act in relation to mortgages.

Position of Companies

The position of mortgage companies as regards the Debt Adjustment Act is well known. In fact, a statement in this regard was issued only recently by R. D. Tighe, solicitor of the Mortgage Loans Association of Alberta.

While not opposed to the principle of debt legislation they feel they should not be denied the right of appeal to the courts. Second, the Debt Adjustment Act is being used to do indirectly what the province cannot legally do directly. Thirdly, some debtors well able to pay are taking advantage of the protection afforded by the Act to evade payment of their obligations.

Unreasonable Rules

In support of the second contention it is pointed out that the Debt Adjustment Board lays down unreasonable requirements before it will issue a permit to a company, even in cases where there is undoubted ability to pay. For instance, one principle laid down by the Government for the guidance of the Debt Adjustment Board is that it is not to grant a permit or make a proposal for settlement unless the creditor agrees to recalculate the claim on a 5% simple interest basis from inception of the loan, and gives a 5% rate in the future.

When a company makes application to the Board for a permit it is almost invariably asked to meet this requirement and no attention is paid to the fundamental principle of ability to pay or whether the claim is below the value of the security. In a great many cases the result would be a rebate to the borrower. For the companies it would mean a write-off of the amount collected in previous years in excess of 5%.

Expenses Higher

The total expenses of the companies, including the cost of funds loaned and before making provision for losses, have been considerably in excess of the 5% rate they are now being asked to apply not only to the future but also to the past. Mortgage companies point out that they cannot operate on a 5% rate and that this was recognized by the Dominion Government in the National Housing Act. The yield to lending institutions on their portion of National Housing Act loans is 5.65%.

From a legal point of view there is doubt as to whether the Debt Adjustment Board has the right to make the issuance of permits conditional on acceptance of this requirement. There is nothing in the Debt Adjustment Act itself that suggests it has. Furthermore, the courts have held that the province has no jurisdiction over interest rates. Yet, through its Debt Adjustment Board it is attempting to establish a 5% interest rate on mortgages.

The charge that borrowers well able to pay have been hiding behind protection afforded by the Debt Adjustment Act to evade payments of their obligations, seems to be borne out by the recent experience of several companies. In recent months some companies have commenced legal action against a number of borrowers they regarded as being in this category. In a high percentage of cases these borrowers, on being served with a statement of claim, have made a settlement and resumed payments on their mortgages.

Seek Fixed Product Prices

(Continued from page 1)

in the spring of 1940 and has made some headway under the Dominion Trade and Industry Act before the Government became aware of the scope of its operations. It came to official attention when the price peg set by the Trade and Industry Commission on apple juice, which the Government is interested in marketing, was recently violated by several grocery chains.

The resultant complaint not only brought out the basic conflict of purpose between the Commission and the Prices Board, but opened up the whole question of price fixing generally.

The Government has made it clear that the Wartime Prices Board has full and exclusive authority in the field of price control. Hence the delegation to this Board, which primarily seeks to prevent the price structure from getting rigid.

Board Stands Firm

The Board rejected the fixing proposals because minimum prices would tend to increase the cost of living. It is the chief function of the Board to prevent this. Such rigidities, it is argued here, would take all the elasticity out of distribution costs and these costs are presently estimated on average to eat up 59 cents out of every dollar paid by consumers.

The refusal of the Board, however, may not end the Council's drive. It is known that the Council has already approached various provincial governments. It has obtained encouragement from the Godbout Government in Quebec and within recent weeks, the British Columbia Government has tightened its "loss" leader act and given to the B. C. retailers some right to police the statute.

Manitoba has a "loss leader" act and it is presumed that the Bracken Government is being urged to follow B. C.'s lead in making it more severe.

There is no doubt that the provincial governments can control prices within their territory if they choose to do so. In doing so, of course, they would be in direct conflict with the war policy of the Dominion Government, but, even so, it is doubtful if the Dominion would invoke the War Measures Act against them except as a last resort.

Bakers Also

The bakeries of Canada have also been in Ottawa on a price freezing mission. They desire Government action to prevent chain stores selling below standard prices. They want the same treatment as the Dominion is giving to the butter producers.

A delegation of the baking industry waited on Trade Minister J. A. MacKinnon this week to urge appointment of an administrator for the industry. He would control production, merchandising of flour, mill feeds, etc., and adjustment of prices to absorb the wheat processing tax.

It was contended most bakeries were in a difficult position, getting an "inadequate return" and in many cases running at a loss.

The coal dealers are pressing Ottawa with a similar request. The first approach has been in behalf of the dealers in the Toronto district but if given any encouragement similar delegations from other cities will come.

For the most part, all these delegations want the Government to adopt the methods of the Massachusetts legislature in its "Unfair Sales Act." This statute has rigidified Massachusetts prices at a much higher level than prevails elsewhere in the United States.

G. E. Leslie & Co. Picks New Sales Manager

From Our Own Correspondent

MONTREAL.—George E. A. McCain has been appointed general manager of G. E. Leslie & Co., Montreal stock brokerage firm.

Mr. McCain was on the staff of the predecessor company, Johnston & Ward, at Saint John, N.B., and Kingston, Ont., branches. He was manager of the latter branch. For the past two years he has been at the company's head office in Montreal.

York Knitting Mills Paying 20 Cents

York Knitting Mills Ltd. has declared a dividend of 20 cents per share payable on the common stock of the company Feb. 15, to shareholders of record Feb. 10, 1941. Third common payment since the company amalgamated with Zimmerknit Co. in 1937, the present disbursement equals a payment on Feb. 15, 1940. There was a payment of 10 cents per share on Aug. 15, 1940. Earnings on the common stock were $1 per share in 1939, latest year for which figures are available.

LABOR RULE LIFTED

From Our Own Correspondent

MONTREAL.—Quebec Minimum Wage Commission has removed restrictions for the next two months on the number of working hours each week in industrial concerns working on war contracts.

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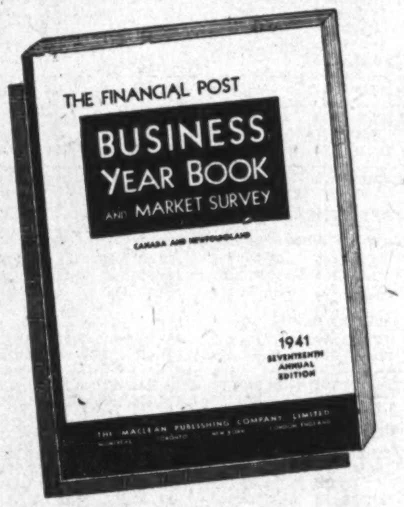
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Canada Looks South—

Canadian Properties Still Safe in Brazil

By RONALD A. McEACHERN
Staff Writer, The Financial Post

RIO DE JANEIRO, Brazil—For a Canadian there are advantages in looking at Brazil from the bottom up rather than from the top down. And this was the way I first saw the country as I came in from the Argentine.

The Argentine is much more familiar to a Canadian in appearance, in its point of view and in its problems. It is a good deal like North America from New York north. Brazil is New York south into Mexico.

R. A. McEACHERN

One very big and important difference between Buenos Aires and Rio is that B. A.'s airport is a horrible hour's ride from the city. Rio has made a magnificent garden port for land and sea planes right on the waterfront and in the heart of the business district.

Air passengers like that. They are invariably the most-anxious-to-get-it-over-with travellers I have ever seen. I have not mentioned it before in these articles. But I have talked with so many who travel the routes regularly and who feel the same way about it that the comment seems justified. The airplane gets you around fast, but it's mighty hard work. I have not seen a single person with anything resembling air sickness, but I have talked to dozens who say that the drastic changes in atmospheric pressure throw their physical machinery out of kilter.

Rio from the Air

Nevertheless the airplane certainly provides a superior introduction to the beauties of the great city of the Cariocans. Travellers and travel talks say Rio de Janeiro is the most beautiful city in the world. So far as I saw it there is no reason to argue.

With one brief halt around noon, our plane had groaned from 8 in the morning at B. A. to 3.30 in the afternoon; over the rich rolling planes of Uruguay, most thickly populated country in South America; over the blood red soil of southern Brazil around Porto Alegre; then three hours offshore over the blue green Atlantic.

After travelling thousands of miles over jungle, desert and mountain and prairie, the coast of Brazil in the Rio zone gets everybody craning their necks to look at it.

Mountains with a violet haze hanging over them like velvet. Mountainsides thick with trees. Everything within view verdant as the British Columbia coast.

The plane heads straight for Sugar Loaf Mountain, the sentinel at the harbor mouth that shows up in all the travel photographs. The ship banks close by it and swerves over the famous harbor, big enough to house all the navies in the world, and circles into the airport.

By that time you see why Rio is so lovely; why it covers such an enormous space. Rio is really a collection of separate beach resorts with great bays and blazing white sand beaches, separated by a half dozen mountain peaks. Tunnels join the city's parts together.

Brazilian Traction

A Canadian naturally takes one of his first looks at the trams and buses, owned by Brazilian Traction, Light and Power Co. of Toronto, the biggest public utility enterprise in the south. Miller Lash, K.C., of Toronto is president.

The telephone and the electric light system also belong to the Canadians and they have similar enterprise south at Sao Paulo, too.

Rio has about three million people in and just outside its boundaries. Nearly all of them are street car or bus riders. The trams are smallish, open models as befits a sub-tropical city.

Incidentally I am told that not so long ago a confidence man sold one of them for around $4,000 to a farmer from the back country. The farmer paid $3,000 down for the tram, climbed aboard, rode to the terminus and was very annoyed when the conductor refused to turn over the fares collected.

Like Buenos Aires, Rio has been going through a period of fabulous and feverish growth, a building boom that would make a Canadian builder's mouth water. Office buildings and apartments are the two big factors. For instance a line of about 20 apartment buildings was pointed out to me. Three years ago not one of these good-looking 15 to 20-story structures existed.

Palatial Buildings

When Brazilians build a public building they really build a building. They got off to a grand start. In the old days there was usually somebody's palace that could be bought for this government department or that. Because society was very swank and very European, when it wanted an opera house it got something almost as grand as the Paris opera. At the St. Louis Exposition back in 1904 there was an ornate building for something or other. After the show it was pulled down and shipped, piece by piece, marble and knickknack, to Rio as a gift for the Senate. It stands very grandly but the Senate doesn't sit in it any more. Since the Vargas regime there is no Senate.

Brazil is the third largest country in the world (Russia first, Canada second), but it has four times Canada's population.

It has every climate except the polar. Remember that in South America climate is determined more by altitude than by latitude. For this reason Brazil grows almost everything—and because its soil is so rich everything grows in abundance.

Unlike the Argentine, which is apparently barren of the basic raw materials for integrated industrial development, such as water power and iron, Brazil is magnificently endowed.

Within its borders discoveries have been made of almost every known mineral and some of the most important, such as iron and nickel, are said to be present in vast quantities.

Rich Resources

Here there are "iron mountains" estimated to contain about 22% of the world's known iron ore reserves, grade of much of it around 70%. Brazil's water power resources have never been measured. Brazil has bauxite, the ore of aluminum. One official wondered if his country could sell some to Canada, pointing out that it wasn't much farther to haul it from here than from British Guiana. Gold is the biggest item of mineral production right now, and one Canadian group is reported developing a property. Brazil claims to have one of the biggest nickel reserves in the world. One small operation sold Germany 90 tons of 20% nickel ore in 1939.

In agriculture Brazil produces almost everything except wheat and it is now trying to do that in the south. Reports are that the wheat is too soft; makes poor flour and doesn't keep well.

Brazil feels that it has fortune by the tail. "Ten square feet of ground will grow all you can eat 365 days of the year, and you can always get a bent pin, a piece of string and catch a fish." So a Brazilian told me when I queried him about the pushcart man who, he figured, would earn about five Canadian dollars a month.

Only in the last decade has Brazil become natural resources conscious. Its industrial production has been doubled in the past five years. Though basically Portuguese in racial stock, very large and commercially important groups of Germans and Italians have made it easy for Brazil to fix its eyes on the totalitarian way of getting things done.

While Brazil's main crops, coffee, cotton, bananas, citrus fruits, must be mainly export crops, her governors yearn for, and plan, a future which presupposes complete economic independence; economic nationalism at its maximum.

Officials have erected sky high barriers whenever there was any slight hint that local industry might develop thereby.

Brazil's economic nationalists have been worried about lack of native oil resources. They have developed some; not enough for their needs. Now they have a law requiring that one tenth alcohol be mixed in all gasoline sold. This had the extra advantage of helping the sugar producers out of a difficult spot.

But Brazil is carrying its nationalism a long way beyond economics. A few weeks ago it banned the Boy Scouts. It had banned the Masons before. The reason apparently is that they are too international. Another new regulation makes it illegal for residents in Brazil to send their children abroad to be educated unless one of the parents goes with them and stays with them. This, of course, is a punch at the British and Americans and richer Brazilians who for generations have sent their children away for schooling. Further regulations are designed to make sure that these same children will be taught by Brazilian teachers in the Portuguese language.

Brazil is hurrying to attain maturity. It makes some curious brags.

Curious Boasts

It is, for example, now claimed here that the first airplane flights in the world were made in Brazil. Another claim is that the pioneer work on radium was done in Brazil and that not all of the credit can justly go to the Curies.

Just recently a newspaper claimed that Brazil was the birthplace of Adolf Hitler. This newspaper said it had documentary proof that Papa and Mama Hitler arrived in Brazil years ago, had their little bundle of joy and returned to Austria. The newspaper would have nothing to do with the canard that Adolf's real name was Schickelgruber.

When an Argentine businessman recently landed in Rio and wrote a postcard back to his family declaring "Hail from the land of the monkeys," the all pervasive censorship system got to work and he was chucked out of Brazil within 24 hours.

Brazil, you see, takes itself rather seriously. As a matter of fact this is by far the most Germanized country in the south. The way Hitler counts his followers that a German is still a German until he has been away from Germany for five generations, Brazil has about one million Germans. As a group they are very influential. On the same basis there are about two million Italians and 200,000 Japanese. Because so many here have dual nationality those are the most significant figures available.

Brazil has an army of about 120,000. The head of that army is outspoken in his preference for Nazi ways and means. President Vargas, who came into power in 1930 and who set aside the constitution, remains in the last analysis, in power because of the army's support.

Since I arrived here the Brazilian ship Siqueria Campos has come into harbor. This was the signal for a torrential outburst of anti-British sentiment. For this ship has been a British captive at Gibraltar for over a month with 300 passengers on board, most of them Brazilians. It has been the subject of many sharp exchanges of diplomatic notes.

Arms From Germany

The Sequeira Campos had been in Lisbon and had taken on a large shipment of arms and ammunition, bought in Germany and allegedly paid for before the outbreak of war. They were destined for the Brazilian army. It is rumored that also in that cargo was other contraband of war, such as machinery.

The British refused to give the ship a navicert, to let it through the blockade. Rather they seized her and took her to Gibraltar. Pro-British sentiment here was none too rampant to begin with, but this certainly didn't improve it. President Vargas made some very powerful speeches, not naming Britain but pointing at her as perpetrator of a hostile act. The Brazilian army officials were, of course, not averse to emphasizing the wickedness of Britain's deed. It is common knowledge that the Brazilian Government had prepared and had all ready for signature a set of decrees for taking over two British-owned railways as reprisal and he may sign them yet if more trouble arises.

Canadian Property Safe

Should he do so what happens to Brazilian Traction? I was naturally very much interested in finding out about that. From a couple of the best possible sources I have it that Brazilian Traction will in no way be affected. The official Brazilian explanation is that Canada is part of North America, that Canada can be in no way responsible for what the British contraband control does.

Reason for this treatment is mainly that Brazilian Traction is popular with both people and government. It has for years provided far better public utility services than are found anywhere else in South America. It employs about 30,000 Brazilians. It has an important place, makes an important contribution to the business and social life.

There is considerable feeling here in the British colony that the home government blundered in making issue with Brazil on contraband. In the first place, it seems illogical to some observers here to object to arms and munitions being sent out of the enemy country. In the second place, the Brazilian situation was delicate enough to start with, without vastly increasing that delicacy. Even more important, the British action has seriously damaged the power of some of her best Brazilian friends.

The Vargas cabinet is very mixed in its sympathies. Vargas himself is first of all an opportunist. Observers here fear there may be a good deal more than cabinet shifting before the situation clears. If British fortunes appear to improve some pro-Fascists would likely be dropped from the top political rank; more added if Nazi fortunes rise.

But let us leave politics and look at the country and its people.

What sort of a place is Brazil to live in and do business in?

Rio is the subtropical government centre. Sao Paulo is the much more temperate industrial centre and third largest city on the continent.

Hot and Sticky

Rio, according to people who live there, has a foul climate, hot and humid, with oppressive persistence. Sao Paulo, 200 miles south, is much better because of its height.

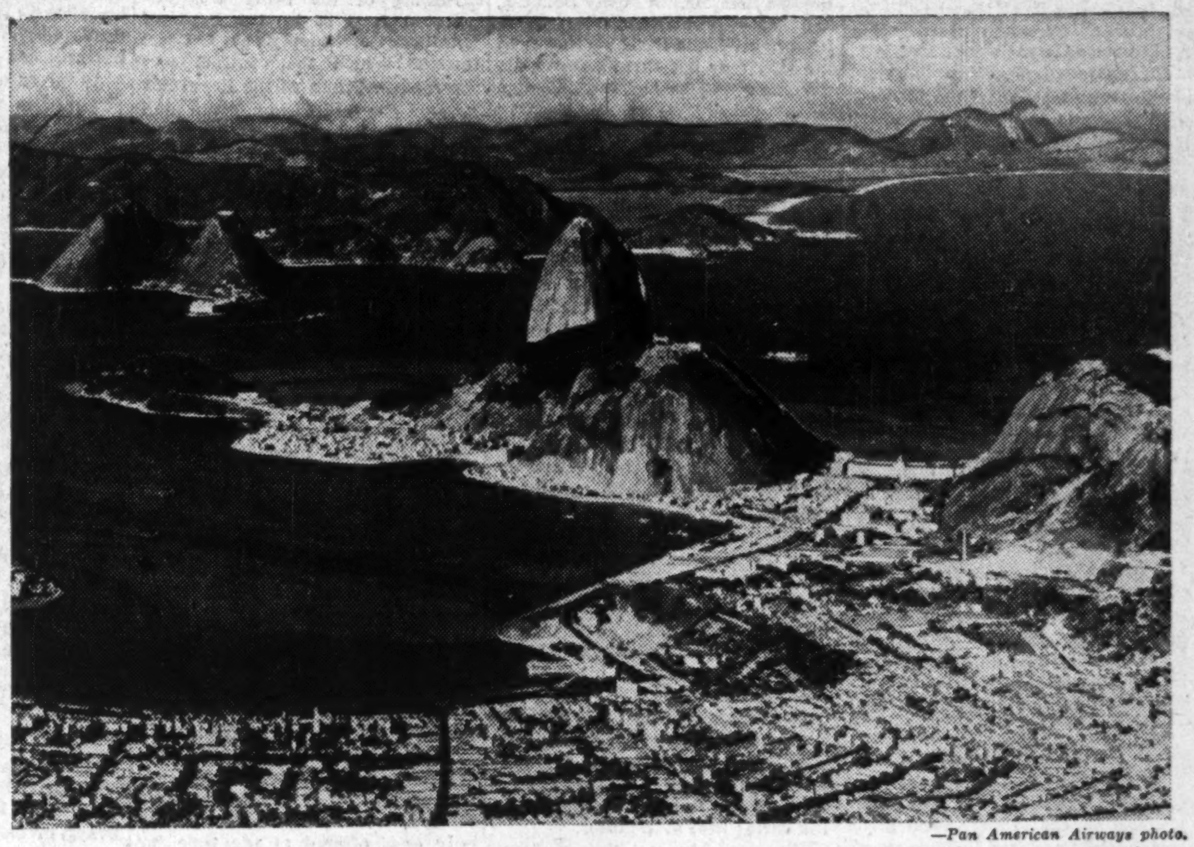
It was blazing while I was in Rio, around 90 degrees our thermometer and about the same humidity. Clothes are soaked most of the time and, although the ocean usually turns up a cool breeze in the evening, the air is still heavy.

Rio suffers from its beauty. There are too many tourists and, right now, too many wealthy refugees from Europe. A Brazilian explained to me that his people do not like to have to like the tourists.

Incidentally, Brazils foreign exchange position has been very materially aided by the floods of refugee funds. How much the funds amount to I cannot say; officials say only that they are big.

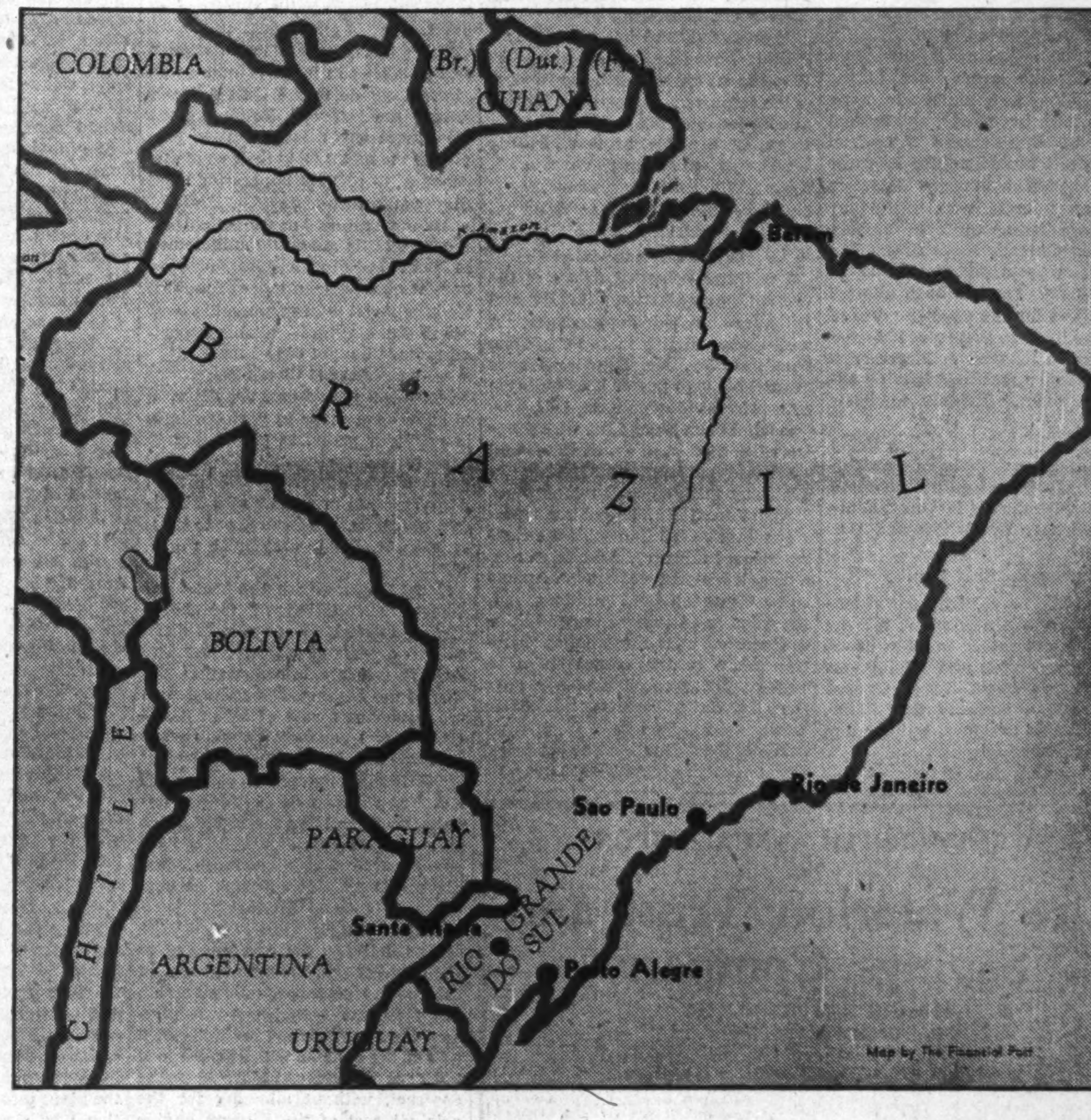
There is more sitting in sidewalk cafes, looking at the strollers than anywhere else I was in South America. The small-

(Continued on page 12)

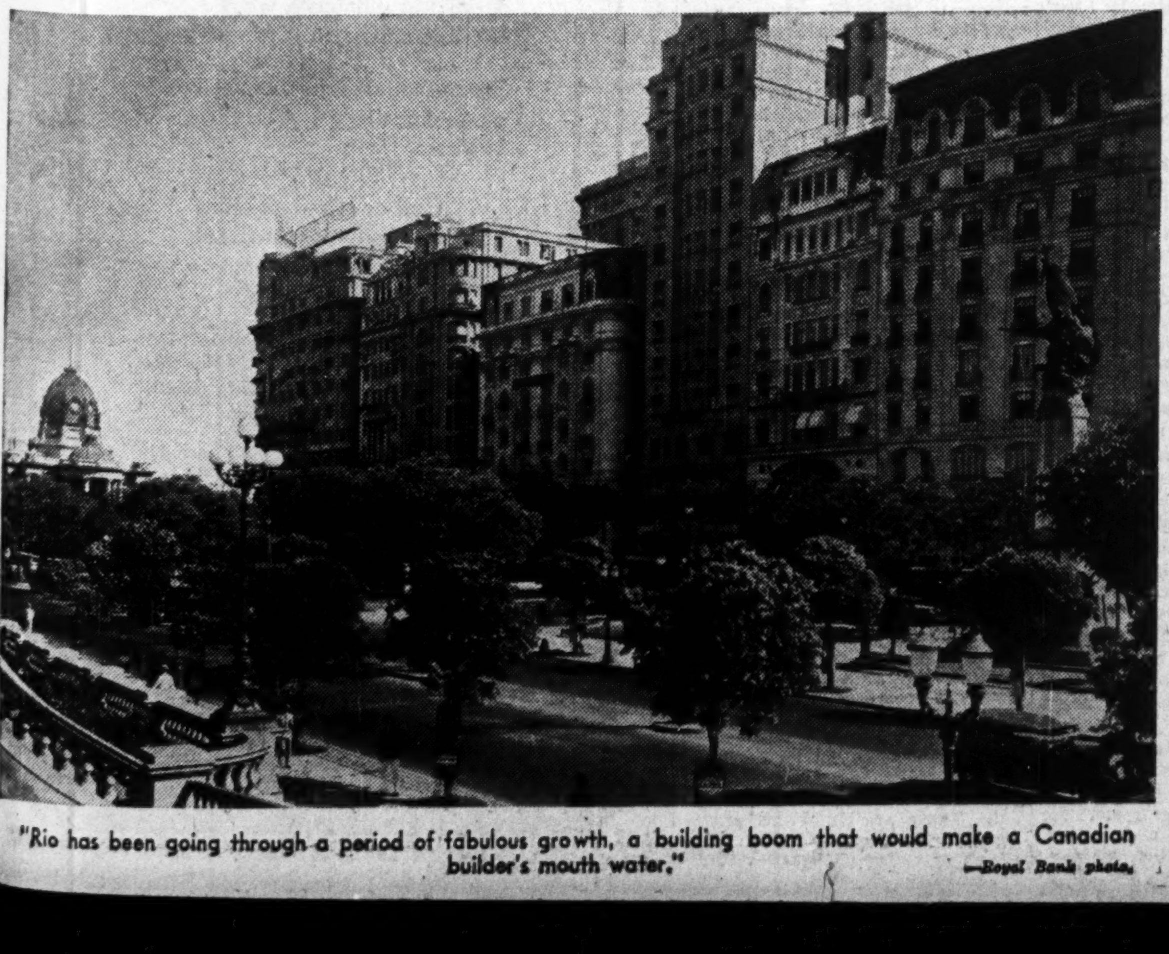


—Pan American Airways photo.

"Rio is really a collection of separate beach resorts with great bays separated by half a dozen mountains, the most famous of which is Sugar Loaf, sentinel of the famous harbor."



Map by The Financial Post



"Rio has been going through a period of fabulous growth, a building boom that would make a Canadian builder's mouth water." —Royal Bank photo.

Hitler's Unpaid Allies

Back Peace Deal at Any Cost

This is the fourth of a series of articles on "native American" groups favoring U. S. isolation from the war, restriction or suspension of aid to Britain, and a negotiated peace deal to appease the Nazis. These first hand studies of the movement which, in some cases unwittingly, is giving aid to Germany, were undertaken by the former chief of the Central European bureau of the London Daily Express. This week's article spotlights some of the individuals who have taken leading parts in the isolation-appeaser agitation.

By SYDNEY MORRELL

NEW YORK. — Individual propagandists, newspapers and magazines have joined the hue and cry for U. S. isolation and a peace deal to end the war.

The great panjandrum of American isolation and appeasement agitation is Merwin K. Hart. He was denounced not long ago by the Secretary of the Interior, Harold Ickes, as a "fascist-minded native American who missed few occasions to sneer at democracy."

Mr. Hart is a forthright sympathizer of General Franco. At 59, he is an angular square-jawed man, solidly built, gray-haired. A recent interviewer was struck by his graciousness and studied nonchalance.

He was born in Utica, was admitted to the bar in 1911, served two years in the New York legislature, had a successful practice as a lawyer for corporations. He was a member of the New York State Industrial Survey Commission, representing employers, from 1926-29.

He now devotes all his time to the New York State Economic Council, which he founded 10 years ago and of which he is president.

Mr. Hart denies having had any connection with the now-discredited Christian Front. Yet on Feb. 19, 1939, Mr. Hart was chairman of a big pro-Franco rally held in the Seventh Regiment Armoury in New York City. Secretary of the committee, of which he was chairman, was John Eoghan Kelly, propagandist for the Christian Front. The Christian Front was advertised as one of the chief channels of ticket distribution for the rally.

Mr. Hart is said to be an anti-Semite, but he denies this. He has, however, been in contact with James True, publisher of the anti-Semitic "Industrial Control Reports."

Varied Associations

Another man who helped organize the Franco rally was Allen Zoll, also known as an anti-Semite.

One of Mr. Hart's contacts is William R. Castle, the same Castle who is a director of America First and a member of the National Committee on Food for Five Small Democracies. Mr. Hart, who advocates a closer relationship between the U. S. and Franco's Spain, has conferred with Mr. Castle several times.

Apart from this, Mr. Hart does not appear to have any connection with any of the organizations previously named. He is, in fact, an organization in himself.

John Eoghan Kelly, who served with Hart on the committee for the pro-Franco rally, was also secretary of an organization called the American Union for Nationalist Spain, of which Mr. Hart was chairman, and which existed from 1938-40.

Kelly is of Irish-German extraction. He is very anti-British. He was a friend and collaborator of Sir Roger Casement when the latter ran German guns into Ireland for the Sinn Fein movement. His mother, from whom he derives his German blood, has been living in Pittsfield, Mass., which has been for long a centre of I.R.A. activity. His two brothers were brought up with a German education.

Kelly was a draft dodger in the last war and he fled to Mexico. By profession he is now a consulting engineer, but writes for a Franco paper called "Spain" which is published in the U. S.

During the Spanish civil war, he had a business called Film Facts, and his partner was a Baron A. von Stein. The frank object of Film Facts was to do propaganda for Franco. He has friends who are now officials in the German Library of Information in New York City.

The appeasement movement has not only rallied organizations and individuals like Mr. Hart, but has gained support from newspapers and periodicals.

One of the latest publications on the Fascist front in the United States is the "Commentator." It supports the Vichy Government in France and has printed articles by Henry Ford, Col. Lindbergh and others who think the same way. It is strongly reminiscent of "Today's Challenge," which was issued by the now defunct Nazi organization, the American Fellowship Forum.

One of the endorsers of the new magazine is Frederick Libby, executive secretary of the National Council for the Prevention of War, which is in favor of a negotiated peace. Mr. Libby is also indirectly connected with the No Foreign War Committee of Verne Marshall.

This monthly magazine, which carries no advertising, has recently been taken over by a group of wealthy men who use it as a means of circulating their own opinions at their own expense. Their opinions appear to be:

1. Strongly isolationist.
2. That Communism is still the main threat and that Fascism is the only thing to kill it.
3. Anti-Roosevelt.

Sponsoring Group

The group owning and operating Scribner's Commentator is called the P. and S. Publishing Co., consisting of:

Charles Shipman Payson, wealthy husband of millionaire heiress, Joan Whitney. Payson is a director of American Rolling Mills, Marine Midland Trust, Refined Syrups and Sugars, Rustless Iron and Steel, etc.

Benjamin M. Holt, head of the law firm of Leslie, Holt, Halstead and Holt, attorney for the Whitneys. Holt appears as secretary of the P. and S. company. He is also a director of several Payson and Whitney concerns.

S. T. Eggleston, as president. He is editor of the magazine.

D. M. Stewart, as vice-president. He is co-owner with Payson of the Commentator.

Eggleston and Stewart are not particularly pro-Nazi. Their attitude is that the U. S. should stay out of the war—also, perhaps, that an isolation policy is a good circulation-getter.

A recent issue of the Commentator

(Continued on page 16)

War Boat Orders Stir Debate

Canadian Builders Question Need For Additional Plants

Disquiet and dispute have been stirred in the Canadian boat industry, The Financial Post learns, by allotment of several war contracts for power boat production in Canada. Chief complaints have centred on employment of boat builders and equipment from other countries to turn out boats here.

Canadian operators have protested against giving new enterprises, sponsored by outsiders, the major projects in the wartime programme of small boat production in this country. New plants set up by non-Canadian interests have been favored, it is claimed, at the expense of established Canadian yards that could have done the work. Certainly, it is contended, Canadian builders could have undertaken the projects with the same encouragement given the outside groups.

Strong question—in some cases outright criticism—has been provoked by the choice of imported equipment for use in completing several of the boat orders. This applies especially to use in one group of boats of engine blocks from Liberty aircraft motors of Great War fame, converted and built up for marine use. Some Canadian boat builders and engineers doubt the ability of such engines to give the required speed and otherwise to stand up to the demands to be made on them.

Up to the turn of the year, the existing Canadian industry was officially deemed to lack enough experience or capacity to produce boats of fast larger types. Established Canadian firms were finally given contracts for a large type of special war-purpose boat late in December. But up to then they had failed to get such orders where there was an alternative choice of employing outside operators.

Policy Challenged

This policy was challenged by Canadian boat builders. But their protests appear to have been given little weight and had little or no effect until the year-end contracts were awarded. These orders call for production of a number of Fairmile class anti-submarine boats.

With this exception, the main orders for the larger units of the boat building programme are being carried out by newly established plants of British and American power craft builders. The Fairmile boats, 112-foot submarine detection and patrol craft with mahogany hulls, are being built in various plants in Ontario, Nova Scotia and B.C. Apart from this, the Canadian industry thus far has been allotted only orders for the smaller types of power boats, such as service launches and aircraft tenders; or larger craft requiring no special designs or experience, such as lighters, towboats and target units.

Even the Fairmile boats are being built to outside designs (the British Fairmile class) and do not compare in speed with the big fast craft being produced here by British and U.S. interests.

Torpedo Boat Plant

As recently revealed by The Financial Post, a big new plant for the production of motor torpedo boats, 70-foot crash boats and similar vessels is being completed in Quebec province by Hubert Scott-Paine, noted British designer, builder and racer of power boats.

The international flavor of this project is enhanced by the fact that the torpedo craft and crash boats will be powered with Packard marine engines, purchased by the Canadian Government in the United States for this purpose.

The design and construction of the torpedo boats will be similar to those built by Mr. Scott-Paine's parent English firm, British Power Boat Co., and those produced in the U. S. from Scott-Paine designs. However, the U.S. type has three engines delivering over 4,000 h.p., the Canadian boats two engines generating 2,700 h.p. The Canadian concern is operating under the name of Canadian Power Boat Co.

Gar Wood Enterprise

Paralleling the Scott-Paine enterprise, though not entirely comparable, is the operation at Trenton, Ont., of Aero-Marine Crafts Ltd. Controlling figure in both the operation and financing of this concern is Gar (for Garfield) Wood of Detroit, famous speed boat racer and builder.

While he has won fame as a designer, builder and racer of power boats, Mr. Wood has achieved the bulk of his considerable wealth as the inventor and manufacturer of hydraulic hoists for dump trucks, etc.; oil furnace mechanisms, and similar products. For some years past he has manufactured such products at the plant in Detroit of Gar Wood Industries Inc. and at the Windsor, Ont., branch plant of his U.S. enterprise.

The Post is informed that his Canadian boat-building project is a personal venture, and that the financial set-up and operation of Aero-Marine Crafts is not linked with Gar Wood Industries Ltd. at Windsor.

The assembly and fitting of engines for the boats Aero-Marine is producing on war orders are being carried out in Detroit.

Though financial backer and controlling figure in Aero-Marine, Gar Wood is stated not to be an officer of the company. Associated with him as officers in direct operation of the company are his brother, Phillip Wood, as president; Gordon L. Fraser, Windsor lawyer, as secretary; and G. A. Bassett of Gar Wood Industries, Windsor, director.

Ditchburn Associated

The other principal figure in the present organization is Herbert Ditchburn, listed as manager. A well-known figure in the Canadian boat industry, Mr. Ditchburn once headed his own power boat building enterprise at Gravenhurst, Ont. This was Ditchburn Boats Ltd., which was forced to discontinue operations and went into bankruptcy in 1932, under the weight of depression conditions.

Apart from Mr. Ditchburn's previous long connection with the Canadian boat industry, Aero-Marine is a completely new enterprise. Among some Canadian boat builders, it is regarded as an unnecessary addition to Canadian boat-construction facilities. More hostile critics claim its present order could properly have been given to existing Canadian firms.

While the formation and preliminary activity of Aero-Marine date back over a year, actual operations were not undertaken until late last summer. At that time, work was begun on the company's first and (to date) only order, a contract for production of six crash or rescue boats for the Royal Air Force, announced to be for rescue work on the English coasts.

Placing of the order was announced Aug. 22 by the Dept. of Munitions & Supply at Ottawa, through which the contract was awarded in behalf of the Royal Air Force. The order was given and selection of the firm made, it is said, at the instance of British purchasing officials at Ottawa and under the direction of R.A.F. supply and technical officers in England.

$600,000 Order

Announcement of the order set the value of the contract for the six boats as "amounting in all to some $600,000," or $100,000 per boat. The Post is informed the price per boat (including three engines) is just under $90,000, plus about $60,000 for 11 replacement engines.

Specifications of the order call for a top speed of at least 35 knots. Each boat is to be 65½ feet waterline length, 70 feet over all, and powered with three Gar Wood marine engines. These are built up from Liberty aero-engine cylinder blocks, adapted and refitted for marine use.

Engines Questioned

Use of these engines, with a base unit dating from the last war, has aroused some critical comment in the Canadian boat industry. To this it is replied at Ottawa that the Wood engines not only were considerably lower in price than those offered in other tenders, but were the only ones offered at the time for which both delivery and specified speed were guaranteed by a builder with experience with this type of boats.

The Liberty motor was designed and produced in large volume as an aircraft engine in the United States during the last war. Following the war, there was a large unused surplus of the motors and they were disposed of to private buyers for what they would bring.

Among these buyers was Gar Wood, who is generally understood in boat building circles to have bought up a large number of motors. He is believed to have bought at least 200 to 400, and he is reliably reported to have bought 600 or more.

Bought Cheap

Mr. Wood's purchases are believed to have been made at various times in post-war years, at prices said to have ranged as high as $150 to $200 per engine and as low as $75 or $100. Some he used in boats he built himself, others he sold from time to time, as marine engines stepped up in power.

The price at which the Wood engines are included in the Aero-Marine crash boat contract is difficult to determine exactly. But The Post is reliably informed that the cost of the engines was embodied in the tender at a rate of about $5,000 (U.S. funds) per motor, converted to generate 500 h.p. in marine use; or $8,000 if supercharged to deliver 600 h.p. The contract as awarded is understood to call for the $5,000 units, or an engine cost of around $17,000 per boat in Canadian funds. Replacement engines will cost extra.

Cost of Engines

This seemingly allows for a wide spread between the cost allowed in the contract and the original cost of the motors plus cost of conversion and refitting. Actually, say spokesmen for Aero-Marine, the laid-down cost of the engines will be close to if not over the amount allowed in the contract, without allowing for the original cost of the Liberty engine blocks. Conversion, fitting of the engines for the purpose involved has proved unexpectedly costly, they say, allowance having to be made for such items as radio shielding and fresh water cooling system as well as outlay for gears, manifold, conversion labor, and freight and handling costs.

On this basis, any profit made on the contract will presumably be on the building and equipment of the boats, apart from the engines. Canadian boat builders had figured that the chief return from the contract would be a profit on the engines of perhaps several thousand dollars apiece.

It is pointed out that similar motors were sold in past years to private buyers, under competitive conditions, at comparable rates.

The Post is told by a marine engineer with direct knowledge of the boat industry in Detroit, that the Wood-Liberty engines were advertised for sale at $6,500 per motor in the 1920's chiefly for conversion to marine use. At other times they were offered at lower prices, though it is claimed they were never sold for less than $5,000.

Performance

Some question has been raised as to how long the engines can be operated between each disassembly and overhaul. The Post is informed that the builders set 400 hours of operation as the recommended period between checkovers. In other quarters it has been suggested that overhauls may be necessary every 100 hours or even less.

The Post is informed that the British buying officials were quite aware of the pros and cons of the Wood engines at the time they awarded the Aero-Marine contract. At the same time, they were anxious to get Canadian production under way for supply of such boats, and were willing to take what they considered a bargain for the only engines that appeared to be available at the time.

In this connection, it is reported that the cost per boat of the Wood engines is less than a third that called for in several alternative tenders. However, the three Wood motors in each boat will deliver a total of 1,500 h.p., while the main alternative tender called for a total of 2,700 h.p.

Origin of Firm

Questions as to the price and rating of the Wood engines is paralleled in the Canadian boat industry by curiosity as to the inception and early activities of Aero-Marine, and the associations through which it endeavored to obtain Government business and launch operations.

As far as official records go, it is difficult to learn who were the original organizers and backers of Aero-Marine or who presently controls the firm. The files of the Ontario Companies Branch show that Aero-Marine's charter was issued Nov. 27, 1939, but still show only the provisional directors, consisting of the lawyer who incorporated the company and individuals who appear to be his relatives or employees.

Among the directors and nominal shareholders listed is Eugene Joseph Rooney, bookkeeper, who is shown in the 1940 Toronto city directory as assistant secretary of Lloyd Lott & Co. This is a Toronto firm of mining brokers that has been inoperative for some time past. The head of this firm, R. E. Lloyd Lott, appears to have been the promoter, organizer and, for a time, the chief active figure in Aero-Marine Crafts.

In correspondence and conversation in the period following incorporation of Aero-Marine, Mr. Lott identified himself as vice-president of the company.

Early Officers

In the same period—late in 1939 and early 1940—the other officers were listed by Mr. Lott as Thomas Bragg, president; and Herbert Ditchburn, managing director. Mr. Bragg is secretary-treasurer of Famous Players Canadian Corp. At the same stage in Aero-Marine's activities, Gar Wood was publicly identified as "technical adviser" of the company and it was stated that he would be associated with Aero-Marine should it obtain contracts for production of larger and faster types of power boats for the armed forces.

Originally Aero-Marine submitted tenders and otherwise sought to obtain orders from the Canadian Government, for such craft as crash boats for the R.C.A.F., but these efforts were unsuccessful.

As far as can be learned, neither Mr. Bragg nor Mr. Lott now have any active connection with Aero-Marine, though up until recently Mr. Lott still retained some sort of connection because of his activity in the early stages of the enterprise. Gar Wood is understood to have taken over the control of the firm in Jan., 1940.

Capitalization $100,000

In the records of the Ontario Companies Branch, the capitalization of Aero-Marine is stated to consist of 800 preference shares of $100 par value each and 20,000 common shares of no par value but limited in aggregate value to $20,000 or $1 a share. This makes a total of $100,000.

About a year ago, it was officially stated on behalf of the company that the capital stock had been subscribed and fully paid for in the amount of $100,000, and that interests behind the company were prepared to support any undertaking it might enter into. No public offering of securities was intended, it was said.

Once Door Plant

The plant being used at Trenton was formerly operated by a firm known as Timber Products Ltd. for the manufacture of sash and doors and similar articles, and had never previously been used for production of boats. Work of altering, renovating, equipping and otherwise putting the plant into shape for boat production was commenced about a year ago and continued off and on until the R.A.F. contract was awarded.

It is understood the final items of equipment were not installed until after the award of the contract.

Use of the property in question, covering about five acres on Lecaw Island at Trenton, was obtained under lease from the Dominion Department of Transport at a nominal rental.

While local labor has been used to some extent, especially in the renovation, alteration and re-equipment of the plant, qualified boat building workers have been drawn from established boat plants elsewhere in Ontario. This appears to be one cause of dissatisfaction among Canadian boat builders in regard to award of the R.A.F. contract. However, at the time the men were drawn to Trenton, there was little or no work for them in the other plants.

Operates at Trenton

Operations of Aero-Marine are concentrated at Trenton, though at the time of incorporation and for some time thereafter an office was maintained in Toronto. In the Ottawa announcement of the boat order to the firm, it was referred to as "Aero-Marine Crafts Ltd., Toronto." But efforts at that time to contact the Toronto office revealed that the office apparently was closed some time previously. The Post is now informed that head office of the firm has been maintained at Windsor for the past year.

In the Canadian Trade Index for 1940 Aero-Marine Crafts is listed with offices at 67 Yonge Street, Toronto, which is the address of the office building in which Lloyd Lott & Co. operated. It is understood the offices of both firms were maintained in the same suite and that both before and after formation of Aero-Marine, Herbert Ditchburn worked there on boat designs.

In the early months of the war both Mr. Lott and Mr. Ditchburn were exploring the prospects of obtaining contracts for building boats for war purposes and were in touch with various individuals in this connection. These contacts centred chiefly on Thomas Bragg of Famous Players Canadian Corp., previously mentioned as early president of Aero-Marine, and interests associated with him. Early negotiations also embraced Gar Wood.

Status of Lott

Lloyd Lott seems to have been an active figure in the early promotion, organization and financing of Aero-Marine. But he was dropped from the vice-presidency of Aero-Marine when the Wood brothers took control, and reliable information is that he is not even on the board of directors now.

But whether he is in or out of the company, Canadian boat builders are still nursing their objections to award of the British contract to the company he formed.

NEW DIRECTOR

W. George Akins, whose election to the board of directors of the Walsh Advertising Co. is announced by T. E. Walsh, president. Mr. Akins is in charge of the Toronto office of Walsh Advertising.

Canadian Properties Still Safe in Brazil

(Continued from page 11)

est of small talk has been developed into high entertainment.

If you have business to do with government officials remember that not official office opens before 11 a.m., Closing is four p.m. In between there is a very long lunch hour and a couple of chats in a cafe. Not too much work is expected of anybody so the staff is enormous.

You'll see something in Rio you won't anywhere else in the world; indiscriminate mingling of whites and blacks. There is no color line of any kind in Brazil except among top society. True, there are second class trams (trailers on the first class), but they are not for any race; just for men who are not wearing coats and for others who cannot get a seat up front.

The official race breakdown gives: white, 60%; mulattos (black and white), 20%; cabocolos (white and Indian), 10%; negroes, 8%, and Indian, 2%.

Portuguese are the dominant white race, Brazil, of course, having been a Portuguese colony until winning its independence in 1889 after the abilition of slavery. Spaniards are the second largest group, Italians third and Germans fourth.

Sao Paulo, the big industrial centre, is very largely Italian, Rio Grande and some other towns and cities of the agricultural south very German.

Portuguese is the language and I'm told there is much more French than Spanish spoken. Whether it is bad luck or indicative of the real situation, I had much more trouble getting around in Rio than anywhere else. Nowhere else had I so much difficulty in finding clerks, waiters or telephone operators who knew English or French.

For a city in sub-tropical latitude, Rio's health record stands high. Its death rate is about 14 per thousand compared with 11 for New York and over 21 for Bombay. But it was not always so. Mangrove swamps still dotted the place when it had half a million people. For 150 years it was a yellow fever plague spot, dreaded by sailors of the seven seas.

War on the mosquito began early in the 20th century. Men plunged through the swamps spraying every brackish pool. Some swamps were filled in. A fine boulevard now covers one. Slums were cleared and streets widened. Stringent laws were imposed for keeping all pests under control. Every bathtub must have a direct drain. All standing water is suspect. Inspectors visit every home regularly.

People I have talked with were very much interested in the quiet revolution in social customs taking place in very recent years. Perhaps because of the greater mixture of races old Latin taboos about the social activities of the younger generation have been dying very fast, much faster, it would seem, than in the Argentine.

For the first time in South America I saw thousands of boys and girls walking around together, car driving and swimming together as they do in the north.

One curious result of this almost brand new freedom is the apartment house building boom and a great deal of domestic grief. Letting down the old barriers has resulted in a torrent of early marriages. Where $30 a month is what the young clerk probably earns, his domestic responsibilities weigh heavily. The new apartments are generally very smart looking outside. But rooms eight by ten feet are the popular size and in two of those people see a lot of each other.

Only the rich can afford divorce, with the trip to Uruguay to get it and the social stigma attached thereto. The ordinary folk just split up and, I was told, a great many young folks are left high and dry, men with a couple of children and no wife; or wives without support.

This is the background of most of the ads in the newspapers that read like this: "Well educated young woman wishes to meet male protector, 100 milreis a month."

How far any country has gone in the development of a middle class it is almost impossible to measure. I mean "middle class" in the economic sense of the word; people with ambition and means to have high sanitary standards, good education, most of the comforts and a few of the luxuries of the rich. Though Brazil has about 45 millions (compared with Argentine's 13 millions), only about four million Brazilians are commercially important; that is, people whose spending power promises a market for modern industry. Officially only 52% of the Brazilian population is illiterate but I am told that the official definition of iliteracy is not high.

As in all South America, wages generally are too low to give much more beyond bare subsistence level. Though a characteristic factory wage of around 80 Canadian cents a day for an experienced worker may be enough to feed and clothe that man in his accustomed state of health and happiness, it doesn't make him an economic man in the North American sense of the word.

However, as suggested to me by several government spokesmen, economic Brazil, like all other Latin America, is just now beginning to reach out to her frontiers, is at that stage of development which Canada had in the first decade of this century.

Canada has been selling Brazil almost $4 millions worth of goods in recent years, mainly newsprint, sewing machines, copper, aluminum, tires, apples and a host of smaller items. Although there has been a very considerable shift in the volume of various items since the outbreak of war, the total for the first year of war is just about the same as for 1939 or 1938. Some items like aluminum have disappeared. Newsprint has increased and will show a much greater gain in 1941 because most of the important papers have been signed up to use Canadian newsprint throughout this year.

Brand new business for Canada, developed since the war, included oilcloth and linoleum, wood pulp, wallboard, leather, surgeons' gloves, seed potatoes, raw asbestos, woollen blankets, bathing suits, textiles, special tool steel, magnesite and optical glass lenses.

Our chief purchases from Brazil are coffee, cotton, canned meats and vegetable oils.

Theoretically, there are a thousand things, other than those Canada is now selling, that could be added to the Brazil-Canada trade list. Unlike the Argentine, which is starved for foreign exchange, Brazil's balance is reported to be holding quite well, with the help of refugee funds.

The basic factor is that Brazilians in the mass have extremely low incomes in comparison with Canadian buying power. Canada has a most-favored-nation agreement with Brazil on tariff. The Canadian producer who can quote a price that will stand against that offered by someone in the United States or elsewhere will be getting in on the ground floor of what must in time become a vast and important market.

"There are many more things you can sell to us and many more that we can sell to you. Please tell your government we would gladly give Canada special terms for doing business with us." That was one of the messages Brazil's polished and pro-British Minister of Foreign Affairs, Dr. Oswaldo Aranha, gave me for Canadians.

There are not a great many Canadians in Brazil so far as I can find out Major Kenneth McCrimmon, director of the Rio de Janeiro subsidiary of Brazilian Traction and a very active executive, stems from Kincardine and does not mind telling you. Other Canadians in the same company are James S. Bell, head of the legal department; H. L. Banfill, general manager of Brazilian Telephone; Robt. M. Gow (nephew of Walter Gow, K.C., of Toronto); A. L. Tennyson in the electrical engineering department, and William Woolley with the tramways.

W. T. Leslie, another Canadian, is general manager for Otis Fensom Elevators. His wife was—and I believe still is—U. S. Trade Commissioner in Rio de Janeiro. The accountant in the Royal Bank of Canada is A. J. Smith of Toronto. Angus Hiltz, secretary of golf club, comes from Nova Scotia.

And, of course, Canada's best known and official representative in Brazil is Lester S. Glass, Canadian Trade Commissioner. He comes from Calgary originally and has been stationed in Rio for more than six years. He seems to know everybody. On top of his regular duties he has been one of the active figures in the British community since the outbreak of war in organizing patriotic work.

New Books

Brazil and Its People

SEVEN KEYS TO BRAZIL. By Vera Kelsey. Published by Oxford University Press, Toronto. Price $2.75.

Unlike Argentina, a country fairly homogeneous in population and resources, Brazil is a vast continent made up of a wide variety of regions and people. Miss Kelsey has spent three years in Brazil and has travelled 30,000 miles to learn the distinctive characteristics of the seven areas, each differing in climate, vegetation, population, etc., that make up Brazil.

As she outlines them, the seven Brazils are:

The north-east, home of white aristocrats and near slave black men, famous for production of sugar. The principal cities are Salvador (once known as Bahia) and Recife.

Rio de Janeiro, the state wherein is located the amazingly beautiful city of the same name, a city of nearly two million people.

Sao Paulo, which grew rich on coffee and grew poor on coffee, that is now seeking to diversify its agricultural production and is becoming an important manufacturing centre as well. The principal cities are Santos and Sao Paulo.

Minas Geraes known for its production of gold, diamonds, iron and other minerals, for a wide variety of industrial products as well.

The "other north-east," an isolated jungle land of superstition, of nature in pandemonium.

North Brazil, which includes the Amazon Valley, where Indian blood and European blood have remained undefiled by the mixture of the blood of the black slaves.

South Brazil, which resembles a pine forest in Minnesota above the plains of Texas, where cattle raising is prominent, where the Germans have penetrated trade and industry, where lumbering goes on. Of each of these areas, Miss Kelsey gives the history, a record of the people and their ways of life and facts on trade.

Miss Kelsey's book is romantic in its history, factual in its economic survey, enlightening as a travel guide and well documented throughout. There are numerous photographs and a map.

TWENTY-EIGHTH ANNUAL REPORT
OF
The Waterloo Trust and Savings Company

ASSETS AND LIABILITIES
December 31st, 1940

ASSETS

CAPITAL ACCOUNT		
Office Premises, Waterloo and Kitchener, (including Safe Deposit Vault, etc., and fixtures, Galt and Preston)		$ 195,780.39
Other Real Estate		341,582.89
Mortgages	$ 292,264.78	
Interest due and accrued	7,784.98	
		300,049.76
Loans on Securities (including $38,781.42 against Company's own stock)		146,674.03
Dominion and Provincial Gov't. Bonds	177,721.92	
Canadian Municipal Bonds	12,253.64	
Other Bonds and Debentures	167,684.84	
Stocks	7,322.88	
		364,983.28
Other Assets		82,277.95
Advances to Estates under Administration		35,823.59
Cash on hand and in banks		40,827.28
		$1,507,999.17
GUARANTEED TRUST ACCOUNT		
Mortgages (including Agreements for Sale $178,910.24 covering mortgaged properties sold)	6,468,457.03	
Interest due and accrued	154,556.98	
		6,623,014.01
Dominion and Provincial Gov't. Bonds	1,561,268.07	
Dominion and Provincial Gov't. Guaranteed Bonds	335,696.53	
Canadian Municipal Bonds	1,236,611.33	
Other Bonds and Debentures	497,629.18	
		3,631,205.11
Stocks and Accrued Dividends		211,255.27
Demand Loans against Securities		59,082.79
Cash on hand and in banks		511,397.27
		$11,035,954.45
ESTATES, TRUST AND AGENCY ACCOUNT		
Mortgages		663,816.93
Bonds		2,289,527.34
Sundry Trust Investments		212,618.63
Cash on hand and in banks		267,406.36
Inventory value of unrealized Estate Assets		4,557,998.08
		$7,991,367.34
		$20,535,320.96

LIABILITIES

CAPITAL ACCOUNT	
Capital (Paid-up)	$ 1,000,000.00
General Rreserve	200,000.00
Investment Reserve	200,000.00
Dividend Declared (Paid Jan. 2/41)	25,000.00
Provisions for Government Taxes & Contingencies	60,000.00
Profit and Loss	22,999.17
	$ 1,507,999.17
GUARANTEED TRUST ACCOUNT	
General Guaranteed Investments Receipts	4,146,602.36
Trust Deposits	6,889,352.09
	$11,035,954.45
ESTATES, TRUSTS AND AGENCY ACCOUNT	
Trust funds for investment	3,397,545.67
Advances from Capital Funds	35,823.59
Inventory value of unrealized Estate Assets	4,557,998.08
	$ 7,991,367.34
	$20,535,320.96

FORD S. KUMPF, President.
P. V. WILSON, Managing Director.

DIRECTORS
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FORD S. KUMPF
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NEW RUNNERLESS STRAWBERRY

BARON SOLEMACHER. This greatly superior variety produces the largest berries from seed of any variety. Flowers eight weeks from seed. Easily grown. Does not have runners but produces great quantities of finest fruit throughout the season. Has the delicious flavor and aroma of wild strawberries. A showy pot plant and fine for garden. Plant now. Order direct from this advertisement. (Pkt. 25c) (2 pkts. 45c) Postpaid.

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DOMINION SEED HOUSE
42 Elgin Street Georgetown, Ont.

Serving Canada for over Half a Century

THE
Dominion of Canada
GENERAL
Insurance Company
HEAD OFFICE, TORONTO

1940 A SUCCESSFUL YEAR

TOTAL INCOME (Net)	$2,034,989.99
ASSETS (Book Value) (Market Value Exceeds Book Value)	$5,618,742.78
RESERVES and all Liabilities	$3,606,866.72
CAPITAL STOCK (Paid Up)	$1,005,300.00
SURPLUS	$1,006,576.06
SURPLUS SECURITY (To Policyholders)	$2,011,876.06

GEORGE H. GOODERHAM, President
H. W. FALCONER, Managing Director

Canada's Oldest and Strongest Multiple Line Company

BRANCHES
Montreal, Ottawa, Hamilton, London, (Ont.)
Winnipeg, Calgary, Vancouver, Kingston, (Jamaica)

How long DID THAT JOB TAKE?

THERE can be no dispute about it if an International Time Recorder kept the record. Every minute of every employee's time is accounted for by the job or by the hour or by the day.

He himself records his own time. These indisputable records make it easy to eliminate wasted time, forgotten charges and payroll leaks.

International Time Recorders are made for every type and size of business.

Call our nearest office for a demonstration.

• • • •

We also manufacture International Electric Punched Card Accounting Machines, Electric Time Systems and "Electromatic" All-Electric Writing Machines.

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HEAD OFFICE: 36 KING ST. EAST, TORONTO
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BRANCHES IN PRINCIPAL CITIES

Your Investments

What We Do:

1. Give information on Canadian securities to Financial Post subscribers.
2. Publish anonymously letters of general interest.
3. Supply facts rather than opinions.

What We Don't Do:

1. Answer enquiries of non-subscribers.
2. Answer enquiries on foreign securities.
3. Reply by telephone or telegraph.
4. Select list of securities; express opinions; or make forecasts.

Three-cent stamp and address label from subscriber's copy of The Financial Post must be enclosed. Address letters to The Financial Post, 481 University Ave., Toronto 2.

Steel of Canada

Would you be kind enough to give me some information on the current position and outlook for Steel of Canada shares?

With the payment of an extra dividend of $2 per share on the ordinary shares of the Steel Company of Canada, along with the regular payment of 43¾ cents, "equalizing" dividends on the ordinary shares have been terminated. The participation feature on the preferred shares will thus begin to apply rateably with the common from now on.

Sales for the past year in tonnage and dollar value are substantially in excess of those of any previous year in the history of the company. Offsetting factors in calculating the year's profits will be the higher costs and taxation experienced.

Ingot production has been increased beyond the average of the Canadian steel industry as a result of the expenditures on new plant made in recent years. When the new plate mill comes into operation in March, additions to plant authorized since the commencement of war will have reached a total of $8 millions.

The demand for steel in Canada was recently referred to by the president of the company as "insatiable."

Dominion Bakeries

Can you give me any information regarding the first preference shares of Dominion Bakeries? I understand winding-up proceedings are likely and should like to know whether my shares will have any value if this goes through.

Voluntary winding-up of Dominion Bakeries Ltd. has been referred to in the last two annual reports of the company. The latest report, for the year ended Aug. 31, 1940, stated that directors were of the opinion that winding-up steps should be taken this year, although no steps have been yet reported in this direction.

Based on total assets, less goodwill, trademarks, etc., current liabilities and deferred rentals, the balance sheet value of the first preferred stock worked out to $18.22 per share at Aug. 31, 1940. How nearly this figure would be approached on the sale of assets is problematical. For the past several years the company has realized a loss on the sale of such fixed assets as were sold. On the other hand, fixed assets were carried at $326,741 after deducting a reserve of $162,683 for depreciation.

The actual sales value of remaining assets would depend greatly on the methods that are followed in disposing of the properties, and on demand factors that cannot be estimated in advance.

North Star Oil

What is the dividend record of North Star Oil for 1940? Are there any preferred arrears?

North Star Oil, Ltd., paid four dividends of 8¾ cents in 1940. Payments were made on Jan. 2, April 1, July 2 and Oct. 1 last year. This brings total dividends to the regular 7% rate on the $5 par value preferred stock. No dividends have ever been paid on the common. Arrears on the preferred amount to 35 cents a share.

United Steel Corp.

What is the position of United Steel Corp. with respect to war contracts?

Contracts awarded to United Steel Corp. by the Department of Munitions and Supply amount to $112,330 to date. Although these are all the contracts announced for this company, it is thought that it has additional business of this nature. The company is producing shells and shell forgings for the British Government at its Welland plant.

Extensions to the Welland plant were completed late last year for the production of hydraulic forgings and munitions, and it is understood that further additions are contemplated. The total amount of contracts necessitating these expansions is believed to be in the neighborhood of $4 or $5 millions. Up to now, ordinary peacetime production has provided a greater portion of the company's business.

Ritchie Cut-Stone

I should like to receive some information on the affairs of the Ritchie Cut-Stone Co. Is there any market for the preferred stock of this company?

There is no actual market on the preference shares of Ritchie Cut-Stone Co. at present. We are told the company is not very active as no buildings of any account are being erected requiring its products. They get some business from residential construction but this is on a small scale and merely sufficient to keep the company going. Outlook is not particularly promising, at least for the duration of the war.

The company's last annual report, for the year ended March 31, 1940, showed a loss from operations of $14,234. After interest and depreciation and other charges were added, the net loss for the year amounted to $31,255. The company still has a balance in its surplus account of $114,133 and showed a working capital of $56,010 at the end of last March. Actual liquid position, however, was restricted with a bank overdraft of $158,860 reported.

Abitibi Bonds

Some time ago I deposited my Abitibi bonds with the protective committee. I should now like to sell these bonds and invest in another security. Can I have my bonds returned?

It would not be possible for you to get your Abitibi bonds returned now that you have deposited them with the Bondholders Protective Committee, but there is nothing to prevent your selling your certificates of deposit at any time. These are negotiable in exactly the same way as the undeposited bonds are. Thus you would be able to sell your Abitibi bonds, if you so desired, and buy any other security you may select.

Canada Northern

Would you be so good as to furnish me with some details of the outlook and current position of Canada Northern Power?

Earnings of Canada Northern Power Corp. in the current year have shown a decrease. In the 11 months to Nov. 30, gross earnings dropped 4.53%, while net earnings were down 12.52%. Decline in revenue was largely accounted for by the fact that Lake Shore Mines Ltd., ceased to take power from Canada Northern at May 1 this year. In 1939 net profit amounted to $1.2 million, against $1.3 million in 1938. The company has reduced dividends on its common, due, it is stated, to increased taxation. Dividend requirements on the 7% preferred stock have been covered by a wide margin for many years and have been paid regularly. Expansion of the mining areas of the north has been responsible for an increase in power consumption and earnings.

Maritime Store Stock Offered

Block of $500,000 Preferred Shares of M.R.A. Holdings Issued

From Our Own Correspondent

MONTREAL.—Eastern Securities Co. is offering $500,000 of 6% first preferred sinking fund stock of M. R. A. Holdings Ltd. The shares are being offered at par, $25 a share, plus accrued dividends from Feb. 1.

M. R. A. Holdings Ltd. is the holding company for Manchester Robertson Allison Ltd. and Vassie-Brock-Manchester Ltd. The former operates a department store at Saint John, N.B., and the latter a wholesale dry goods company, with head office and warehouse at Saint John and branches in Halifax, Sydney, N.S., and Three Rivers, Que.

Retain Separate Identity

The two organizations are retaining their identity and there will be no change in operations or management.

M. R. A. Holdings Ltd. was incorporated under New Brunswick charter to acquire all the stock of Manchester Robertson Allison Ltd. and Vassie-Brock-Manchester Ltd.

Issued capital of the two operating organizations had a par value of $1,045,700.

Capitalization of the holding company consists of: $600,000 of 6% first preferred stock authorized and $500,000 issued; $200,000 of 6% second preferred stock authorized and $158,800 issued; 40,000 no par common shares authorized and issued.

Earnings and Assets

According to the offering prospectus, consolidated earnings of the two operating companies for the past four years, after elimination of non-recurring profits and provision for depreciation and income and profits taxes, have averaged $74,119 annually.

It is estimated that consolidated net earnings, after depreciation, income and "excess" profits, in the latest year, will amount to $74,000. Annual dividend requirement on the new preferred shares will be $30,000.

Pro forma consolidated balance sheet of the two companies shows net current assets of $585,646 and total net tangible assets of $1.1 million.

BELL SHARES ISSUED

From Our Own Correspondent

MONTREAL.—Bell Telephone Co. of Canada has advised the Montreal Stock Exchange 183 additional shares of capital stock have been issued under the employees' stock plan.

REGISTRARS AND TRANSFER AGENTS

Our facilities are such that we are able to offer the ultimate in service as registrars, transfer agents, or trustees under escrow, to mining or industrial companies.

MONTREAL TRUST COMPANY
Montreal Trust Building
61 Yonge Street Toronto
J. F. HOBKIRK, Manager

MONTREAL TRUST COMPANY

This is a victory for Hitler!

• Accident to 1000 H.P. Generator caused by short circuit between armature coils.

NEVER has there been a time when the importance of keeping manufacturing plants in shape for *continuous production* has been so great as it is today . . . Never has there been a more opportune time for the manufacturer to make use of the specialized service features of The Boiler Inspection & Insurance Co. of Canada.

Preventing power plant accidents—boiler explosions, engine and turbine breakdowns, burnouts of electrical machines — through expert inspection services and engineering advice is as vitally important a function of The Boiler Inspection Co. as indemnifying a policyholder should an accident happen in spite of all precautions. In times like these it is perhaps of greater importance.

With an experience covering 65 years and 1,500,000 inspections . . . with an engineering department skilled in modern practices . . . with forty trained inspectors and supervising engineers . . . with the unusual knack of preventing accidents that comes of devoting all its energies to this one exacting task . . . with a volume of business that exceeds the combined total of its 22 competitors . . . is there any question of the Company's leadership? Is there any doubt as to where you can profitably place your power equipment insurance?

Ask your Agent or Broker for further information about this Company.

The Boiler Inspection and Insurance Co. of Canada
806 THE BANK OF NOVA SCOTIA BLDG MONTREAL
908 FEDERAL BLDG TORONTO
221 CURRY BLDG WINNIPEG

Central Power Stations Output Sets Record

Firm Power Consumption in 1940 Rises 16% Above Previous Peak

From Our Own Correspondent

MONTREAL. — Canada's central electric stations set a new record in 1940, with production of 30,080 million kw.h. This contrasts with 28,351 million kw.h. in 1939 and 26,012 million kw.h. in 1938.

Production of firm power for use in Canada amounted to 23,106 million kw.h. This was 16.4% above the previous high record made in 1939.

Export of electrical energy to the United States last year at 1,408 million kw.h. was off 1.2% from the 1939 total.

Secondary power produced for electric boilers, and for export to the United States at 5,565 million kw.h. represents a decrease of 21.4% from the 1939 returns.

Summary of Operations

Following is a summary of production for 1940 with comparative data for 1939:

	1940	1939
	—000's kw.hrs.—	
Firm Power		
Used in Canada	23,106,787	19,848,503
Exported to U. S.	1,408,115	1,424,698
Total	24,514,902	21,273,201
Secondary Power		
For electric boilers ..	4,837,904	6,590,378
Exported to U. S.	727,442	487,935
Total	5,565,346	7,078,313
Total production	30,080,248	28,351,514
Exported to U. S.	2,135,557	1,912,633

All five economic areas shared in the larger production last year.

Your Income Tax . . . .

From now until April 30, deadline for filing personal income tax returns, The Financial Post will answer questions from subscribers about their income and national defense taxes, as to exemptions to which they may be entitled, methods of payment, etc.

Enquiries are invited.

Farm Machinery

I am a farmer and will pay income tax this year for the first time.

What depreciation is allowed on equipment and machinery, also on a two-ton truck which we use for our own business only. Are new machines purchased allowed as an operating expense?

Can I deduct fire insurance on outbuildings as an operating cost?

What percentage of remodelling barns and outbuildings is allowed as an operating cost?

You are allowed depreciation on equipment and machinery at the rate of 10% a year provided the machinery is not more than 10 years old. An allowance of 10% a year would completely write off the value. Accordingly if your machinery is three years old you are entitled to deduct 10% of the cost price a year for the next seven years. New machines are subject only to the depreciation allowance. They cannot be written off as an operating expense.

On the truck you would be allowed 25% depreciation the first year and up to 20% a year thereafter until a total of 80% is written off. If you have had the truck for more than a year you are entitled to annual writeoffs of not more than 20% and a total of 55%.

Fire insurance premiums on outbuildings can be deducted as an operating charge.

The cost of remodelling barns and outbuildings is allowed as an operating cost, provided operations are in the nature of repairs and do not involve any major changes in the plan of the building. If they do you had better discuss them with the income tax authorities in your locality.

Gives Profits to Daughters

I am the owner of a small business which I retain and operate for the benefit of two daughters. For purposes of expediency, the business has been operated for a number of years in the name of my brother, although investigation as to ownership would reveal me as the owner. I have an independent income just about the tax free limit this year. Last year it was well under the tax free limit. If I get any profit from my business this year, how should I show it? How will my brother show such profits when he does not get them.

The best plan for you would appear to be to discuss the whole matter with the income tax authorities in your district.

In the first place, any income from your business you have distributed to your daughters is regarded as your income and must be accounted for by you. That is unless you have deeded over the business to them, which you do not appear to have done. Accordingly your income from the business including any part of it given to your daughters should be reported on your income tax return along with your independent income.

Your brother evidently is in the position of an employee and accordingly he should report the profits from the business over and above expenses such as his salary as accruing to you. If your brother's independent income, plus his income as manager of the business comes to over $1,500 if married, or over $750 if unmarried, he will be liable for income tax. He will also have to pay National Defense Tax, if he is married and has an income over $1,200 and over $600 if unmarried.

Income Taxes

● Are you claiming all the deductions which the Law allows?

Our Income Tax Department is thoroughly experienced in the preparation of Income Tax Returns. The service is available for a moderate fee.

We prepare Returns for hundreds of others. Would it not be a relief to you to have us attend to yours?

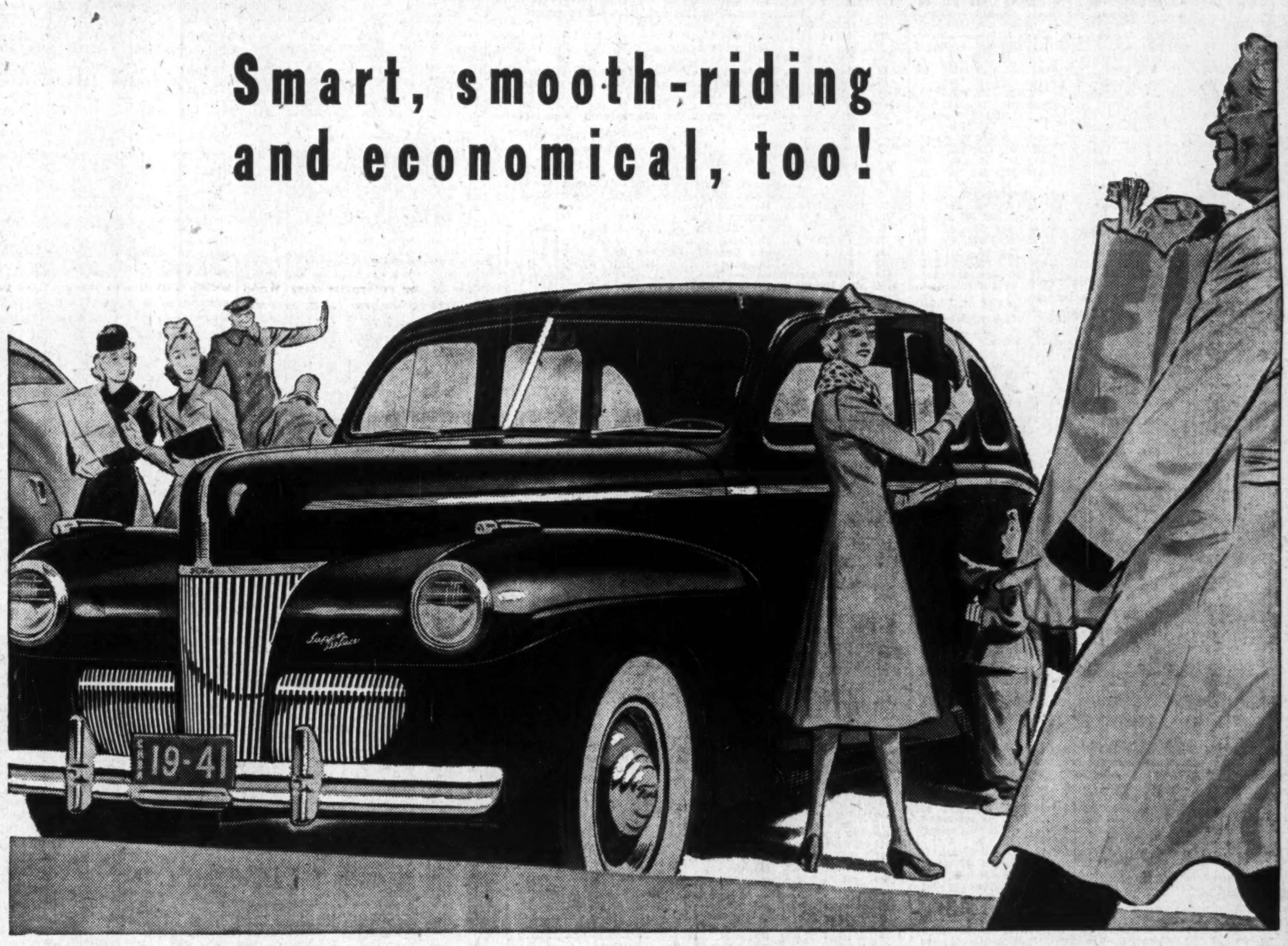
THE ROYAL TRUST COMPANY

4103G

THE ONTARIO LOAN AND DEBENTURE CO
LONDON, CANADA
Established 1870
DEPOSITS ACCEPTED 5-YEAR DEBENTURES ISSUED
Deposits and Debentures (31 Dec., 1940), $12,147,569
Capital (Fully Paid), $2,000,000 Reserve Fund, $2,400,000

BIGGEST FORD IN HISTORY!

Smart, smooth-riding and economical, too!



Ride with Pride . . . Save with Satisfaction!

SETTLE DOWN in one of those roomy seats and you'll see what a spacious car Ford really is. The seats hold three people in real comfort. You've a clear view of the great outdoors through expansive Ford windows—glass area is increased as much as 33%. Big, wide-opening doors make it easy to get in and out.

Press the starter and glide out on the road! See how easy this car handles, how obedient it is to the touch of your toe. Note how quietly it runs, how softly—smoothly it rides, how its softer springs and ride stabilizer cushion the bumps.

But with all its big-car performance and elegant styling and finish, Ford is the economical car to operate. It's still lowest in first cost. It's thrifty with gasoline and it's built with such simplicity and ruggedness that it seldom needs repairs.

Your Ford-Mercury dealer will be glad to have you come in and inspect the 1941 Ford models.

$35 a month, with reasonable down payment, buys any Ford V-8.

DRIVE A FORD V-8

THE WEEK'S QUOTATIONS

Toronto and Montreal Exchanges

The following table is confined to official prices for listed stocks, including curb market quotations. Where no transaction is recorded, bid and asked prices are given. For unlisted stocks, quotations by unlisted dealers are published. The Financial Post cannot accept any responsibility for such quotations.

WEEK ENDING FEBRUARY 3

A

Range 1941 High	Low	Div R'te $	Feb. 1 Y'ld %		Sales	Last Feb. 27	Week end. Feb. 3 H	L	Cl'se
.90	.60			Abitibi	1250	.70	.70	.60	.60
8	5½			Do. pref. 6%	1122	6½	6⅛	5½	5½
12½	10			Do. pref. 7%	35	12½	11	10	10
2	2			Acme Glove	25	3	2	2	2
51	50	6.50	12.7	Do. pref.	25	50	51	51	51
11½	11½	80+20c	8.7	Agnew Surp.		(11¼ bid — asked)			
108	107	7	6.5	Do. pref.		(107 bid — asked)			
1.50	1.25			Alta. Pac. Gr.		1.25 bid 1.60 asked			
29	25			Do. pref.	230	26½	29	25	29
10	7½			Algoma Steel	175	9	8½	7½	7½
97½	92	♦2.50		Do. pref.	500	97½	97½	97½	97½
115	107	6+2	7.5	Aluminum	200	110	110	107	107
120	120	6		Do. pref.		117 bid 119½ asked			
§6½	5			Amal. Electric		(7 bid 9 asked)			
§43	34½	*60c		Amer. Cyn. B.		(— bid — asked)			
46	45½	2.75	6	Ang. Can. Tel. p	15	45½	46	46	46
17	14½	60+60c	7	Asbestos	372	17	17	16	16½
15½	14½	♦1.35		Assoc. Brew.	320	14½	15	14½	15
108½	108½	7	6.4	Do. pref.		(109½ bid — asked)			
*2	2			Assoc. T. & T.A.		(— bid — asked)			
§24	24	48c		Do. pref.		(— bid 24 asked)			
§103	101	5.50	5.3	Ault & Wiborg		(100 bid — asked)			

B

Range 1941 High	Low	Div R'te $	Feb. 1 Y'ld %		Sales	Last Feb. 27	Week end. Feb. 3 H	L	Cl'se
147	140	8	5.5	Bk. Can. Nat.		(147 bid — asked)			
195	180	8	4.4	Bk. Montreal	83	185	185	180	180
284	279	12	4.2	Bk. N. Scotia	25	281	283	283	283
247	245	10	4	Bk. Toronto		(230 bid 247 asked)			
*5	4½			Barcelona		(— bid — asked)			
1¼	1¼			Barker's Bread	100	2⅛	1¼	1¼	1¼
§28	19	2.50	9.2	Do. pref.		(— bid 35 asked)			
13	11½	1		Bathurst Pr.	1610	13	13	11½	11½
2½	1½			Do. (B)	138	2½	2½	1⅞	2½
2½	2½			Beath & Sons		(2 bid 5 asked)			
8	7			Beatty Bros.		(4½ bid 6½ asked)			
101	101	6		Do. pref.		(102 bid — asked)			
§90	88	7	7.9	Do. 2nd pref.		(85 bid 90 asked)			
10	9			Beauharnois	1694	9½	9½	9½	9½
§97	90	4	5	Belding Cort.		(80 bid 90 asked)			
127	127	7	5.5	Do. pref.		(124 bid 127 asked)			
160½	156	8	5.1	Bell Telephone	1422	158	158½	156	157
8½	8½	60+15c		Biltmore Hats		(8 bid 8¾ asked)			
5½	5			Blue Ribbon		(6 bid 7 asked)			
37½	35½	2.50	6.9	Do. pref.	20	36	36½	36½	36½
20½	20	1.30	6.3	Brant. Cord. pf.		(20½ bid 22 asked)			
7½	5⅜			Brazilian Tr.	2640	6⅜	6⅛	5⅜	5⅜
5½	3½	50+25c		Brew. & Distil.	9	5	4½	3½	4½
§6½	4	30c	7.5	Bright, T. G.		(6½ bid — asked)			
§90	89	6	6.7	Do. pref.		(90 bid — asked)			
18½	17	1	5.8	Brit. Amer. Oil	1289	17⅞	17½	17	17
12½	10			B. C. Packers	50	11	12½	12½	12½
26½	25	2	7.8	B. C. Power A.	275	25⅞	25⅞	25½	25½
1.30	1.25			Do. (B)		1.35 bid 1.75 asked			
5½	4⅞			Bruck S. Mills	275	5½	5	5	5
15½	12½	70+10c	5.6	Building Prod.	950	14	14½	14	14½
10⅞	9⅞	60c	6.2	Burlington Ste'l	5	9⅞	9⅞	9⅞	9⅞

C

Range 1941 High	Low	Div R'te $	Feb. 1 Y'ld %		Sales	Last Feb. 27	Week end. Feb. 3 H	L	Cl'se
§70	70			Calgary Power		(— bid 70 asked)			
102	101	6	5.9	Do. pref.	25	102	101	101	101
§5⅜	1⅞			Canada Bread	20	..	2	2	2
100	97½	5	5	Do. pref.	30	98	100	100	100
40	37	2.50	6.4	Do. pref. B.	25	39	39	39	39
4½	4½	40c		Canada Bud	20	4½	4½	4½	4½
6⅞	5			Canada Cement	737	5⅞	6	5	5
100	94	5	5.2	Do. pref.	31	97	97	96	96
§4½	4½	10c		Can. Cr. Stone		(4½ bid 8 asked)			
102⅞	102⅞	5	4.9	Canada Cycle, p		102⅞ bid 106 asked			
27	26	1.50	5.7	C. & D. Sugar	395	27	27	26	26
15½	15½	1.50	9.7	Can. Forg. (A)		(— bid 18 asked)			
§22	13	1.50	8.8	Do. (B)		(— bid — asked)			
§40	25	♦4.50		Can. Iron		(31 bid — asked)			
70	70	♦7		Do. pref.		(72 bid — asked)			
§390	390	20		Canada Life		(380 bid — asked)			
§4	1			Can. Mach'y		(3½ bid — asked)			
§32	25	♦3.50		Do. pref.		(38 bid — asked)			
39	36	2+50c	6.9	Can. Malting	136	37	37	36	37
8⅞	6	♦1.13		Can. Nor. Pr.	161	8	8	6	6
97	95	7	7.2	Do. pref.	6	95	97	95	97
87½	83½	3+1	4.8	Can. Packers	30	85	84½	83½	84
§.25	.25			Can. Paving, p.		(38 bid — asked)			
136	128	8	6.2	Can. Perman.	34	134	134	128	130½
9	8	♦1		Can. Starch		(7 bid — asked)			
§110	109	7	6.4	Do. pref.		(108 bid — asked)			
5½	4			Can. Steamsh's.	841	4½	4½	4	4½
20½	18	♦62½c		Do. pref.	431	18	19	18½	18½
8	7	40c		Can. Vinegars	105	7⅞	8	7½	7⅞
61	57	4	6.9	Can. W. Cable	60	58	58	57	57½
23	18⅞	♦1.25	6.6	Do. (B)	29	19½	19	18⅞	19
107	107	6.50	6.1	Do. pref.		(105½ bid — asked)			
⅞	⅞			Can. Bakeries		(⅞ bid 1¼ asked)			
§64	30	♦3		Do. pref.		(20 bid 31 asked)			
163	155	8	5.2	Can. Bk. Com.	97	160	158½	155	155
1.00	.90			Can. Breweries	610	.95	.95	.90	.90
25	23	3	13	Do. pref.	472	24½	24½	23	23½
35½	35½	1.50+50c	5½	Can. Bronze		(35 bid 36 asked)			
104½	104	5	4.8	Do. pref.		(104½ bid — asked)			
6½	6	♦37½c		Can. Canners	25	6	6	6	6
20	18½	1+5c■	5.7	Do. 1st pfd.		(19 bid 19½ asked)			
10	9	60+5c■	7	Do. 2nd pfd.	125	9½	9½	9½	9½
10½	6½			Can. Car & F'y	1595	8⅞	8⅞	6½	7½
27½	20⅞	44c		Do. pref.	1488	25½	26	24⅞	25
29	23½	♦1+90c		Can. Celanese	630	27	27½	23½	24
124	120	7	5.8	Do. pref.	47	120	121	120	120
23	23		4.3	Do. Rights		(23½ bid 25 asked)			
19	17½	1	5.3	Can. Convert.	15	19	19	19	19
98	90	4+2	6.1	Can. Cottons	15	90	98	98	98
112	105	6	5.3	Do. pref.		(111 bid 115 asked)			
21	17½	1.50	8.3	Can. Dredge	180	20	18	17½	17½
§101	100	6	6	Can. Fairb. pf.		(98 bid — asked)			
10½	9	1.40		Can. For. Inv.		(10 bid 11 asked)			
104	104	8	7.7	Do. pref.		104 bid 104½ asked			
220	215	8	3.6	Can. Gen. Elec		(210 bid — asked)			
8½	7½	50c	6.2	Can. G. Inv.	145	8½	8	7⅞	7⅞
3	2½	15c		Can. Ind. Alc.	1335	2½	2½	2½	2½
2½	2½	15c		Do. (B)	25	2½	2½	2½	2½
208	190	7	3.6	Can. Indust. B.	96	205	195	190	190
176	170	7	4.1	Do. pref.	4	176	173	170	173
§1.30	.10			Can. Int. I. Tr.		(.25 bid .50 asked)			
48	43	2	4.6	Do. pref.	10	48	43	43	43
13	12	1	7.7	Can. Lt. & Pr.	100	12	13	13	13
9	8			Can. Locomo.	37	8	8	8	8
.95	.85	♦4c		Can. Marconi	100	.95	.85	.85	.85
17	16	50+50c	6	Can. Oil	10	17	16½	16	16
120	118	8	6.7	Do. pref.		(120 bid 123 asked)			
6½	5			Can. Pacific	2605	5½	5½	5	5
.50	.25			C. Pr. & Pa. In.	16	.35	.50	.25	.25
2½	1⅞			Do. pref.	10	2	2½	2½	2½
3½	2⅞			Can. Vickers	80	3	2½	2⅞	2⅞
15	13			Do. pref.		(— bid 15 asked)			
9	9	1		C. Wallpaper A.	15	9½	9	9	9
9	8	1		Do. (B)	35	9	9	9	9
44⅞	42	♦1.50		Can. West'ho'se		(— bid — asked)			
4	4	15c		Can. Wineries	2525	4	4	4	4
20½	19⅞	1.50	7.7	Can. Wire Box	25	19½	19½	19½	19½
1.25	1.05			Capital Estates	150	1.25	1.05	1.05	1.05
119	119	5	4.2	Carnation, pfd.		(118½ bid — asked)			
§18	8½	50c	5.3	Catelli Food		(7½ bid 9 asked)			
10	9½	75c	7.5	Do. pref.		(9½ bid — asked)			
§37½	37½	1		Celanese of A.c		(— bid — asked)			
§2.25	1.50			Celtic Knit		(— bid 2½ asked)			
155	155	8	5.2	Cent. Can. L'n.		(— bid — asked)			
92	92	4+1	5.4	Chart. Trust	1	95	92	92	92
.32	.19			Chem. Research	1000	.27	.27	.22	.22
.30	.30			City Gas & El.		(— bid 1.00 asked)			
§.15	.03			Claude Neon		(.05 bid .10 asked)			
1.35	1.32	12c		Coast Brew	300	1.32	1.35	1.33	1.33
6½	4⅞			Cockshutt Plow	445	5⅜	5½	4⅞	5
1.95	1.65	10c		Comm. Alcohol	150	1.80	1.80	1.75	1.75
6	5½	40c	7.3	Do. pref.	50	6	5½	5½	5½
§4½	3½	♦40c		Conduits Nat.		(2½ bid 5½ asked)			
14	12⅞	1+25c	9.8	Cons. Bakeries	105	13	12⅞	12⅞	12⅞
§.10	.05			Cons. Div. Sec.		(.01 bid .08 asked)			
§11	6½	75c		Do. pref.		(8 bid — asked)			
4	3			Cons. Paper	7117	3½	3½	3	3½
3⅞	3⅞			Cons. Press		(3 bid 3⅞ asked)			
§75	55	♦4.75		Cons. Sand, pf.		(.75 bid .90 asked)			
39½	36	1+1.25	6.22	Cons Smelters	845	38	38	36	36
145	142	10	7	Consumers' Gas	74	143½	144	143	143
§68	40	♦1.75		Corr. P. Box, p.		(30 bid 40 asked)			
25	22	1.20+15c		Cosmos Imp.		(22 bid 24½ asked)			
31	29	2	6.7	Crown Cork	60	31	30	30	30
§3	1½			Crown Dom. Oil		(1½ bid — asked)			
31	31	3	9.7	Crow's N. Coal	10	31	31	31	31
1.05	.75			Cub Aircraft	925	.85	.95	.75	.80

D, E

Range 1941 High	Low	Div R'te $	Feb. 1 Y'ld %		Sales	Last Feb. 27	Week end. Feb. 3 H	L	Cl'se
10½	10½	1+10c	10	David & Fre. A	15	10½	10½	10½	10½
§3⅞	1			Do. (B)		(— bid 2 asked)			
8½	7			de Havilland	300	8½	6½	7	7
§92	75	♦7		Do. pref.	10	..	75	75	75
§3⅞	1½			Disher Steel		(1½ bid 2 asked)			
§15½	10	♦1.50		Do. pref.		(10 bid 15 asked)			
28½	24½	2.22	8	Distill-Seagram	450	26	25½	24½	25½
97½	96½	5	5.1	Do. pref.	100	97	97½	96½	97½
§39⅞	39⅞	♦1		Dom. Ang. Inv.		(30 bid — asked)			
70	70	5	7.2	Do. pref.		(70 bid 84 asked)			
200	193	10	5.1	Dom. Bank	20	197	197	195	195
26⅞	24	1.20	5	Dom. Bridge	482	25½	26	24	24
21	19	1.50	7.2	Dom. Coal, pf.	125	20½	19	19	19
28	28			Dom. Engineer.	5	30	28	28	28
23½	19⅞	1	4.9	Dom. Foundries	377	22	21½	19⅞	19⅞
§110	103½	6	5.7	Do. pref.		(107 bid 110 asked)			
126	125	5	4	Dom. Glass		(— bid 125 asked)			
150	150	7	4.7	Do. pref.		(150 bid — asked)			
29½	29½	1.20+40	5.4	Dom. Oilcloth		(29 bid 30 asked)			
§1.50	1.00			Dom. Scot. Inv.		(.45 bid .90 asked)			
§31	24½	♦2.25		Do. pref.		(25 bid 27 asked)			
1⅞	1⅞			Dom. Square		(1½ bid 2 asked)			
9⅞	8			Dom. St. & C.B.	2491	8½	8½	8	8
5	4			Dom. Stores	290	4⅞	4½	4	4½
4⅞	3½			Dom. Tar & Ch.	390	3½	4½	4	4
86½	86½	5.50	6.3	Do. pref.		(85 bid 87 asked)			
83	77	5	6.5	Dom. Textile	1620	77½	77½	77	77
150	140	7	4.7	Do. pref.	18	145	150	140	150
1⅞	1			Dom. Woollens	200	1⅛	1⅞	1⅞	1⅞
8	7	60c		Do. pref.	130	7½	7½	7	7
5⅞	4½			Donnacona P.A.	448	5	5	4½	4½
5½	4½			Do. (B)	125	4½	4½	4½	4½
5½	5			Dryden Paper	155	5½	5½	5	5
.50	.50			East Koot. Pr.	10	..	.50	.50	.50
7	7			Do. pref.		(7 bid 10 asked)			
.45	.45			East Dairies	200	.90	.45	.45	.45
9	8			Do. pref.	25	8½	8½	8½	8½
13½	13	1	7.7	East Steel		(10 bid 14 asked)			
§6½	6½			East Theat.		(— bid — asked)			
§4½	2½			Easy Washing		(— bid 3½ asked)			
§29½	18	1.75		Economic Inv.		(— bid 24 asked)			
8	7½	♦1.10		Electrolux	25	7½	8	8	8
3	3			Enam. & Heat.		(— bid 3 asked)			
29	25	2.50	10	English Electric	25	..	25	25	25
5	5			Do. (B)		(4 bid 10 asked)			
5½	5	15c		Equitable Life	53	5½	5	5	5

F, G

Range 1941 High	Low	Div R'te $	Feb. 1 Y'ld %		Sales	Last Feb. 27	Week end. Feb. 3 H	L	Cl'se
3	2½			Fairchild Air	350	2½	2½	2½	2½
20	20	1	5	Fam. Players	25	..	20	20	20
28	25½	1.50+25c	6	Fanny Farmer	510	26⅞	26⅞	25½	25½
6	3⅞			Fleet Aircraft	2035	5½	5½	3⅞	4
§1.50	.75			Fleury Bissell		(.20 bid .75 asked)			
15	14			Do. pref.	5	15	14	14	14
15⅞	14½	1	6.5	Ford Motor A.	1850	15½	15⅞	15½	15½
12½	14	1	6.7	Do. (B)		(15½ bid — asked)			
§.20	.05			For. Pr. Secs.		(— bid — asked)			
12½	11	♦50c		Foundation Co.	40	11½	12	11	11
9	7			Fraser Cos.	10	7	8	7	7
10½	7½			Do. Vot. Tr.	555	9	8½	7½	8½
§1.50	.50			Freiman		(.50 bid — asked)			
42	41			Do. pref.		(40 bid — asked)			
9⅞	8⅞	80c	8.9	Gatineau Pwr.	236	9	9½	8⅞	8⅞
90	83	5	5.9	Do. pref.	50	85	85	84	84
95½	93	5.50	5.9	Do. 5½% pref.	45	95½	95	93	95
1½	1			Do. Rights	50	1½	1	1	1
6½	4½			Gen. St. Wares	435	4½	5½	4½	4½
94	91	7+76c■		Do. pref.	11	93	93	91	91
80	77	2.50+2.50	6	Goodyear T.	70	78	78	78	78
55	53½	2.50	4.5	Do. pref.	38	53½	55	53½	53½
*50	50	♦7		Gould Pumps, p		(— bid — asked)			
§8	4			Gt. Lakes Pap.		(2½ bid 7 asked)			
§29	18½	♦1.25		Do. pref.		(— bid 27 asked)			
3½	1½			Do. Vot. tr. c.	146	2½	3½	2	3½
19⅞	17	♦1.25		Do. Vot. tr. p.	31	18	18	17	17
3	1⅞			Gt. W. Saddlery		(2½ bid 3½ asked)			
§35	24	♦3		Do. pref.		(— bid 35 asked)			
11½	11	60c	5.4	Greening Wire	50	11	11½	11½	11½
§1.25	1.25	10c		Growers' Wine		(— bid — asked)			
4½	3½			Gurd, Chas.	25	3½	3½	3½	3½
§107½	106½	7	6.5	Do. pref.		(— bid 107½ asked)			
3½	3½			Gypsum, Lime	360	3½	3½	3½	3½

H, I

Range 1941 High	Low	Div R'te $	Feb. 1 Y'ld %		Sales	Last Feb. 27	Week end. Feb. 3 H	L	Cl'se
§21½	21½	1	4.7	Halifax Fire		(— bid — asked)			
5½	4			Ham. Bridge	646	4½	4½	4½	4½
36	34½	2+1.25▲	5½	Ham. Cot., pf.		(36 bid — asked)			
.75	.75			Ham. U. Theat.		(.50 bid 1.00 asked)			
65	65	♦5.50		Do. pref.	15	65	65	65	65
3½	3	20+10c		Harding Carpet	300	3½	3	3	3
§.25	.25			Hillcrest Coll.		(.10 bid 1.00 asked)			
§4	2			Do. pref.		(2½ bid 4 asked)			
10½	8½	50c	4.7	Hinde & Dauch	200	10½	9	9	9
*20	20			Holt Renfrew		(— bid 14 asked)			
§40	20			Do. pref.		(17 bid — asked)			
17½	14½	1	6.9	Honey Dew	5	14½	14½	14½	14½
14⅞	13½			H. Smith Pap.	50	14	13½	13½	13½
101	98½	6	6.1	Do. pref.		(99 bid 100 asked)			
18	14½	1	6.7	Humberstone S.	5	15½	15	15	15
§11	4			Hunts (A)		(4½ bid 5 asked)			
5	4½			Do. (B)		(4½ bid 7 asked)			
§74½	53	4	7.4	Huron & E. Mt.		(52 bid 60 asked)			
§13	8	80c		Do. 20% pd.		(— bid 10 asked)			
§2⅞	2½	20c		Hydro Electric		(⅞ bid 1½ asked)			
205	202	10	4.9	Imperial Bank	5	203	202	202	202
10½	9	50c	5.4	Imperial Oil	3676	9⅞	9⅞	9	9
14	12⅞	40+22½c	4	Imperial Tob.	1080	13	13½	13	13
7⅞	7	6%	4	Do. pref.	400	7	7	7	7
16	15	♦1.75		Indust. Accept.	50	15½	15½	15	15
§36	25	3		Inter-City Bak.		(20 bid 36 asked)			
50	50	6+1		Inter'c Coal		(— bid — asked)			
§120	120	8	6.7	Do. pref.		(— bid — asked)			
16⅞	16⅞	1.50	8.9	Inter. Bronze	75	16	16⅞	16⅞	16⅞
25	23½	1.50	6	Do. pref.	25	25	25	25	25
§.30	.30	3c		Int. Coal & C.		(.25 bid .40 asked)			
9½	8⅞			Int. Metal Ind.	5	8⅞	8⅞	8⅞	8⅞
105	100	6	5.9	Do. pref.	45	103	101½	100	100
99	99	6	6.1	Do. pref. A.	10	101½	99	99	99
115⅞	114	5	4.4	Int. Mill., pf.	40	114	114½	114½	114½
36⅞	33½	2	5.9	Int. Nickel	2642	36	35⅞	33½	33½
2½	2			Int. Paints	25	2½	2	2	2
§18	11	1+25c▲		Do. pref.		(13½ bid 20 asked)			
16½	15			Int. Pap. & P.		(— bid 17 asked)			
74⅞	70	5+1.25▲	7	Do. pref.	40	70	70	70	70
15⅞	14	♦1.25	8.6	Int. Pete.	2533	14½	14⅞	14	14
3½	3½			Int. Power		(3 bid — asked)			
88	86½	7	8	Do. pref.	25	87½	87	87	87
*11⅞	10½			Int. St. Rlty. A.		(— bid 10 asked)			
*4	3⅞			Do. (B)		(— bid 4 asked)			
7	6			Int. Util. (A)		(5½ bid 7 asked)			
.25	.15			Do. (B)		(.20 bid .25 asked)			

J, K, L

Range 1941 High	Low	Div R'te $	Feb. 1 Y'ld %		Sales	Last Feb. 27	Week end. Feb. 3 H	L	Cl'se
§14½	12	68c		Jam. Pub. Ser.		(11 bid 13½ asked)			
§135	128	7	5.5	Do. pref.		(— bid 129 asked)			
9½	9	♦1		Kelvinator	20	9½	9	9	9
11	9			L. St. John Pr.	5	9	9⅞	9⅞	9⅞
1.00	.75			Lake Sulphite		(.70 bid .90 asked)			
16	15	1		Lake of Woods		(— bid 15 asked)			
113	111	7	6.3	Do. pref.	5	111	111	111	111
53	53	4	7.5	Landed Bank		(40 bid 54 asked)			
12	11	70+30c		Lang, J. A.	100	12	11	11	11
*3½	2½			Langley's		(— bid 1 asked)			
17	15			Do. pref.	25	17	15½	15	15
10½	9½	80c	8	Laura Secord	500	10	10	9½	9½
12	6½			Legare, pref.		(9 bid 11 asked)			
§3	3	15c		Levy Bros.		(3 bid — asked)			
5	4½			Lindsay, C. W.	85	4½	5	5	5
§55	25			Do. pref.		(48 bid 53 asked)			
27	25½	1+25c	4.8	Loblaw (A)	335	26½	26⅞	25½	25½
26	24	1+25c	5.1	Do. (B)	285	25½	25½	24	24

M

Range 1941 High	Low	Div R'te $	Feb. 1 Y'ld %		Sales	Last Feb. 27	Week end. Feb. 3 H	L	Cl'se
1.00	1.00			Mackenzie Air	100	1.00	1.00	1.00	1.00
2	2			Mackin. Steel		(2½ bid 4 asked)			
55	55	♦2.12½		Do. pref.		(— bid 75 asked)			
15⅞	14½			Maclaren Pr. p.	10	15	14½	14½	14½
8	7			M. L. Gardens		(7½ bid 10 asked)			
7½	7	70c		Do. pref.		(7 bid 7½ asked)			
2⅞	2			Maple Leaf M.	950	2	2	2	2
4⅞	3			Do. pref.	360	3½	3½	3½	3½
16½	16½	70+10c		Maritime Tele.		(16½ bid — asked)			
§17½	16	70c	4.4	Do. pref.		(16⅞ bid — asked)			
§15	12			Marcus Loew's		(14½ bid — asked)			
*100	100	7+7▲		Do. pref.		(— bid — asked)			
3½	2⅞			Massey-Harris	390	2½	2⅞	2½	2⅞
31½	25			Do. pref.	505	28	28½	25	27
5⅞	4			McColl Fron.	100	5½	5½	5	5½
98	93½	6	6.3	Do. pref.	96	96	96	95½	95½
1.25	1.00			Melchers	220	1.00	1.25	1.25	1.25
5½	5½	30c		Do. pref.	250	5½	5½	5½	5½
*1½	1½			Mercantile Tran		(1 bid 2 asked)			
*5	5	6%		Do. pref.		(5½ bid 6 asked)			
7½	6½			Mercury Mills		(6½ bid 7½ asked)			
§47	43	2.50		Mitchell, J. S.		(— bid 50 asked)			
112	112	7	6.2	Do. pref.		(112 bid — asked)			
9½	8½			Mitchell, Robt.	50	8½	8½	8½	8½
16⅞	15⅞	80+40c	7	Mod. Contain.	40	16½	16½	15⅞	15⅞
§99½	93	5.50	5.7	Do. pref.		(98 bid 100 asked)			
§6	2			Monarch Knit.		(— bid — asked)			
75	75	♦7		Do. pref.		(— bid 85 asked)			
63	60	4	6.6	Montreal Cot.		(— bid 64 asked)			
118	118	7	5.9	Do. pref.		(115 bid 120 asked)			
§.25	.10			Mont. Is. Pr.		(.25 bid .50 asked)			
29½	26½	1.50	5.6	Mont. L. & Pr.	2905	27½	28	26½	26½
50½	49½			Do. Notes	45	50	50	49½	49½
§15	15	♦1.62½		Montreal Loan		(— bid — asked)			
§.85	.16			Mtl. Refrig & S		(.50 bid .85 asked)			
§10½	6	1.25		Do. pref.		(10 bid — asked)			
30	30	3.20	10.6	Montreal Tele.	87	30	30	30	30
52	50	6	12	Montreal Trams	38	50½	50½	50½	50½
47½	45	♦1.70+60c	5	Moore Corp.	376	46½	46½	45	45
188	185	7		Do. pref. (A)		171 bid 181½ asked			
279	279	7	2.5	Do. pref. (B)		(257 bid — asked)			
.05	.05			Muirheads		(.05 bid .15 asked)			
§1	1			Do. pref.		(— bid — asked)			

N, O

Range 1941 High	Low	Div R'te $	Feb. 1 Y'ld %		Sales	Last Feb. 27	Week end. Feb. 3 H	L	Cl'se
27½	26	2	7.5	Nat. Breweries	791	26	26½	26	26
38⅞	37⅞	1.75	4.6	Do. pref.	125	37⅞	37⅞	37⅞	37⅞
5	4½			Nat. Grocers	190	4½	4½	4½	4½
25⅞	25½	1.50	6	Do. pref.		(25 bid 25½ asked)			
7	7			N. Sew. Pipe A		(7½ bid 10 asked)			
38½	35½	2	5.6	Nat. Steel Car.	360	37	37	35½	35½
§193	160	8	5	National Tr.		(140 bid 150 asked)			
§9½	9½	♦60c		Neon Prod.		(— bid — asked)			
25½	23	2	8.6	Niag. W. Weav.	85	25	23½	23	23
3	2½			Noorduyn Av.	75	2½	2½	2½	2½
.90	.80			North Star Oil		(.80 bid .90 asked)			
3½	3½	35c		Do. pref.	65	3½	3½	3½	3½
86	86	6	7	N. S. L. & Pr.		(87 bid — asked)			
§107½	100	6	5.7	Do. pref.		(106½ bid — asked)			
21½	20½	1	4.8	Ogilvie Flour	45	21	21	21	21
§162	140	7	4.7	Do. pref.		(150 bid 160 asked)			
106⅞	105⅞	5	5.2	Ontario Loan	1	106⅞	105⅞	105⅞	105⅞
§5½	2			Ont. Silknit		(— bid 4½ asked)			
45	35			Do. pref.		(30 bid 45 asked)			
7	7			Do. Scripts	45	7	7	7	7
10	8½	♦1		Ont. Steel	10	9½	9½	9½	9½
§115	110	7	6.1	Do. pref.		(— bid 120 asked)			
§4½	1			Orange Crush		(1½ bid 1⅞ asked)			
6½	6½	70c		Do. pref.		(5½ bid 6½ asked)			
8½	8½	40c	4.8	Ott. Car Air.		(— bid 7 asked)			
14½	14	1.20+30c	10	Ottawa El. Rly.	5	14½	14½	14½	14½
11	9½	1	10	Ott. L. H. & Pr.	13	10	10	9½	9½
95	95	5	5.3	Do. pref.		(— bid 99 asked)			

P, Q, R

Range 1941 High	Low	Div R'te $	Feb. 1 Y'ld %		Sales	Last Feb. 27	Week end. Feb. 3 H	L	Cl'se
§21	18	3c		Pacific Coyle		(20 bid — asked)			
111½	89½	5+50c	5.4	Page Hersey	76	101	102	100	100
§6	3½			Pantepec Oil		(— bid — asked)			
§40	30	2		Paton Mfg.		(25 bid — asked)			
115	115	7	6.1	Do. pref.		(110 bid 120 asked)			
50	49	3	6.1	Penmans	185	49½	49	49	49
123	120	6	5	Do. pref.		(122 bid — asked)			
16½	15	1+50c	10	Photo Eng.		(14 bid 16 asked)			
98	95½	7	7.2	Porto Rico Pr p	10	97	98	98	98
6	4½	60c	12	Power Corp.	400	5½	5	4½	5
98	92	6	6.4	Do. pref.	21	96½	94	92	92
43	43	3	7	Do. 2nd pref.		(— bid 44⅞ asked)			
9½	8½	1		Pressed Metals		(8½ bid 8⅞ asked)			
12½	10			Price Bros.	1010	11	10½	10	10
70	68	5.50	8.1	Do. pref.	3	68	68	68	68
7⅞	4	40c	6.2	Prov. Transport	150	6½	6½	6½	6½
14½	13	1	7.7	Quebec Power	180	13½	13½	13	13
4	4			Que. Telephone		(4 bid — asked)			
24	24	2	8.3	Real Estate L'n		(24 bid 28 asked)			
5	5	25c		Regent Knit		(5 bid — asked)			
18	18	1.60		Do. pref.		(17½ bid 18 asked)			
4½	4½			Reliance Grain	35	3	4½	4½	4½
§66	64	6.50	10	Do. pref.		(55 bid 65 asked)			
17	16½	2	11.8	River S. Mill.	10	16⅞	17	17	17
5	2			Rogers Majest.	3485	4½	4½	4½	4½
§19½	12	♦75c	5.8	Rolland Pap.		(12 bid — asked)			
§19½	12	♦75c	5.8	Do. Vot. Trust		(— bid 12 asked)			
95	94	6	6.3	Do. pref.		(95 bid 99 asked)			
167½	158	8	5.1	Royal Bank	50	163	164	158	158
15½	14	80c	5.2	Russell Indust.		(15 bid 16 asked)			
151	150	7	4.7	Do. pref.	20	150	150	150	150

S

Range 1941 High	Low	Div R'te $	Feb. 1 Y'ld %		Sales	Last Feb. 27	Week end. Feb. 3 H	L	Cl'se
107	104½	5.50	5.2	Saguenay Pr. p	30	106	106	105	106
34½	34½	1.50+50c	6	Sangamo		(— bid 34½ asked)			
9	9			Sarnia Br. (A)	5	..	9	9	9
§2⅛	1½			Do. (B)		(— bid 2½ asked)			
17	15½	90c	5.5	Shawinigan Pr.	1102	16½	16½	16½	16½
12½	11½			Sher. Wms.	10	11½	11½	11½	11½
115	110	7+5.25▲	6	Do. pref.	5	115	115	115	115
4½	3½			Silverwoods	37	4	3½	3½	3½
6½	6	40c	6.7	Do. pref.	385	6	6	6	6
§9	5½	60c		Simon & Son		(5½ bid 6½ asked)			
105½	105½	7	6.6	Do. pref.		(— bid — asked)			
§21½	10½			Simpson, A.	10	..	11	11	11
5	3½			Do. (B)	6	4½	4½	4½	4½
100	94	6.50+1▲	6½	Do. pref.	82	99½	96½	94	94
§130	126	6	4.8	Simpson, R., pf.		(132 bid 140 asked)			
10½	10½	80c	7.6	So. Can. Pr.	95	10½	10½	10½	10½
105	102½	6	5.8	Do. pref.	21	104	104½	104	104
2½	2			St. Law. Corp.	1927	2½	2½	2	2
17	16	1+90c	6.2	Do. (A)	920	16½	16½	16	16
20½	20⅞	1+50	7.2	St. Law. Flour		(20 bid — asked)			
112	111	7	6.2	Do. pref.		(112 bid 115 asked)			
40½	36	2+2	5.2	St. Law. Pap. p	201	39	38½	36	36
10½	10½	♦1+25		Stand. Chem.	70	10½	10½	10½	10½
§2	1			Stand. Clay		(2 bid 3½ asked)			
.90	.65			St. Pav. & Mat.		(.50 bid .75 asked)			
3½	2½			Do. pref.		(3 bid 4½ asked)			
25	22	60+60c	5	Stedman Bros.	10	25	22	22	22
70	64½	1.75‡	5.7	Steel of Can.	455	66	66	64½	64½
74	69½	1.75	2.5	Do. pref.	348	69½	70	69½	69½
3	2			Sterling Coal		(3 bid 4 asked)			
§1.25	.25			Stop & Shop		(— bid .20 asked)			
§12½	10	80c	8	Stuart, D.A. pf.		(— bid 14 asked)			
§3½	2½			Supersilk H. A.		(— bid 2⅞ asked)			
§4½	4			Do. (B)		(3 bid — asked)			
§82	72	5	6.9	Do. pref.		(— bid 77 asked)			
26	25	1+50c	6	Sup. Pete. ord.	12	26	25	25	25
25	25	1+50c	6	Do. com.		(25 bid 32 asked)			

T, U, V

Range 1941 High	Low	Div R'te $	Feb. 1 Y'ld %		Sales	Last Feb. 27	Week end. Feb. 3 H	L	Cl'se
11	10½	80c	7.5	Tamblyn	20	10⅞	11	11	11
52½	52½	2.50	4.8	Do. pref.		(52½ bid — asked)			
§3	3			Thayers		(1½ bid 6 asked)			
§36	20	2.50		Do. pref.		(20 bid 35 asked)			
2	2			Thrift Stores	25	2	2	2	2
9	9			Do. pref.		(8 bid 11 asked)			
9½	9	60c	6.7	Tip Top Tailors	70	9½	9	9	9
107	107	7	6.5	Do. pref.		(102 bid 107 asked)			
1.50	1.50			Tooke Bros.		(1.00 bid — asked)			
§12	5			Do. pref.		(10 bid 15 asked)			
21½	20	1	5	Tor. Elevators	25	21½	20	20	20
45½	45	2.62½	5.8	Do. pref.		(43 bid 44 asked)			
76½	75½	4	5.2	Tor. Gen. Tr.		(75 bid 80 asked)			
80	75	5	6.2	Toronto Mtge.		(81 bid 85 asked)			
149	145	7	4.8	Tuckett Tob. p.		(145 bid — asked)			
2	1½			Twin City	35	2	1½	1½	1½
26½	26½			Do. pref.	80	28	26½	26½	26½
14½	13½	80+20c	7.3	Union Gas	1002	13⅞	13⅞	13½	13½
13	13	♦80c	6.2	Un. Amuse. A.		(13 bid — asked)			
13	13	♦80c	6.2	Do. (B)		(13 bid — asked)			
§.85	.60			United Distill.		(.50 bid .80 asked)			
38½	36	3	8.3	United Fuel, pf.	115	36½	36½	36	36
5⅞	4			Do. B. pref.	120	5	4	4	4
§5½	2½			United Secs.		(4½ bid — asked)			
4	3			United Steel	1150	3½	3½	3	3½
4	4			Viau Bisc.		(4 bid — asked)			
§60	45	5	10	Do. pref.		(45 bid — asked)			

W, Y, Z

Range 1941 High	Low	Div R'te $	Feb. 1 Y'ld %		Sales	Last Feb. 27	Week end. Feb. 3 H	L	Cl'se
28½	26	2	7.4	Wabasso Cot.	65	27	27	27	27
48	40½	4	9.5	Walker-Good.	600	43½	44	40½	40½
20½	19⅞	1	4.9	Do. pref.	1078	20½	20½	19⅞	20
.80	.75	♦5c		Walkerville Br.	900	.75	.80	.75	.80
§135	120	7	5.4	W. Koot. Pr. pf		(130 bid — asked)			
1.75	1.30			West. C. Flour.		1.25 bid 1.80 asked			
25½	22			Do. pref.	8	24½	22	22	22
50	46	3	6	West Grocers	5	49	50	50	50
§112	103	7	6.3	Do. pref.		(96 bid 125 asked)			
§11½	11½	50c	4.2	W'minster Pap.		(— bid — asked)			
11½	9½	80c	7.6	Weston Ltd.	211	10½	10½	10½	10½
98	95½	5	5.2	Do. pref.		(95 bid 95½ asked)			
18½	18	1	5.6	Wilsils		(— bid 18 asked)			
1.15	.85			Winnipeg El. A	285	1.00	1.00	1.00	1.00
1.40	.90			Do. (B)	100	1.00	.95	.95	.95
8	6			Do. pref.		(6 bid 7 asked)			
85	85	7	8.2	Wood A. & J. p		(80 bid 95 asked)			
50	45			Woods Mfg.. pf.	10	50	50	50	50
5½	5	♦30c		York Knitting		(5½ bid 8 asked)			
*100	100	7	7	Do. 1st pref.		(— bid — asked)			
9½	8½			Zellers	220	9	9½	9	9½
24½	24½	1.50	6.1	Do. pref.	459	24½	24½	24½	24½

Quotations: § 1940. • 1939. * 1938. ♦ Paid in 1940. ■ Participating.
▲ On account of arrears.
‡ Plus extra of $2 payable Feb. 1, 1941.
○ Plus stock div. of $1.50.

Mining Stocks

Week Ending February 3.

Par Val.	Range 1941 High	Low	Company	Sales	Close Jan. 27 (or last)	High for week	Low for week	Close Feb. 3
			A					
No	.17	.13	Aldermac	2,700	.14	.14½	.13	.13
1	.01½	.01	Amm. Gold		(.01 bid .01⅛ asked)			
No	2.75	2.25	Anglo-Huronian	1,141	2.60	2.50	2.50	2.50
No	*.40	.25	Argus Interests		(.30 bid .40 asked)			
No	*.03	.01	Arno		(.... bid .02½ asked)			
1	.07½	.05½	Arntfield	19,500	.06½	.07	.05½	.05½
1	.05½	.04½	Ashley		(.03 bid .04½ asked)			
1	.04½	.03	Astoria Quebec	4,250	.04	.04	.04	.04
1	2.45	1.85	Aunor Gold	12,186	2.21	2.25	1.85	1.85
			B					
1	.16½	.09⅞	Bagamac	3,425	.11½	.11	.09⅞	.10
1	.08	.05½	Bankfield	22,000	.06½	.06½	.05½	.05½
No	.11	.08½	Base Metals	8,100	.10½	.09½	.08½	.08½
1	.15	.10	Bear Exploration	7,200	.14	.14½	.10	.12
1	1.24	1.06	Beattie Gold	5,300	1.15	1.15	1.06	1.09
1	.09	.07½	Beaufor		(.07½ bid .08 asked)			
1	1.00	1.00	Berens River		(1.00 bid 1.15 asked)			
1	.13½	.07½	Bidgood Kirk.	41,183	.11	.11	.09½	.09½
1	*.14	.02	Big Missouri		(.04½ bid .05 asked)			
1	.11	.06½	Bobjo	9,850	.09½	.09½	.08	.08
1	*.04⅞	.02	Bouscadillac G.M.		(.02½ bid .03½ asked)			
No	10.50	9.85	Bralorne	965	10.00	10.00	9.85	9.90
1	.03	.03	Brazil Gold		(.02½ bid .05 asked)			
1	.01½	.00⅞	Brett Trethewey		(.00⅞ bid .01 asked)			
1	1.10	.88	Broulan Porc.	73,350	.95½	.95	.88	.88
1	5.95	4.10	Buffalo Ankerite	1,460	4.60	4.50	4.10	4.15
No	.04½	.03	Buffalo Can.	5,000	.04	.04	.03½	.03½
5	18.00	17.00	Bulolo Gold	80	18.00	18.00	17.50	18.00
No	*.03½	.01	Bunker Hill		(.01½ bid .03 asked)			
			C					
No	.55	.47	Can. Malartic	5,371	.51	.55	.47	.52
1	2.91	2.30	Cariboo Gold	1,850	2.90	2.91	2.75	2.75
1	.01	.01	Cartier Malartic	500	.01	.01	.01	.01
1	.55	.50	Castle Trethewey	5,231	.55	.52	.52	.52
1	.07	.06½	Cen. Cadillac	200	.06½	.07	.07	.07
1	1.95	1.75	Cen. Patricia	3,445	1.83	1.85	1.75	1.75
1	.17	.09	Cen. Porcupine	24,700	.11½	.12	.11	.11½
1	.18⅞	.16	Century Mining	9,000	.18½	.18½	.18	.18
1	1.74	1.39	Chesterville	35,332	1.54	1.55	1.39	1.40
No	.18	.14	Chromium	5,100	.15	.15	.14	.14
5	1.05	1.00	Coast Copper	250	1.05	1.05	1.00	1.00
1	1.04	.76	Cochenour Willans	16,450	.85	.86½	.76	.76
5	1.55	1.35	Coniagas	400	1.55	1.55	1.50	1.50
No	1.55	1.42	Coniaurum	3,300	1.48	1.50	1.42	1.42
5	39.50	37.00	Cons. Smelters	845	38.00	38.00	36.00	36.00
			D, E					
1	1.24	.90	Delnite	3,900	1.16	1.16	1.04	1.10
1	.03½	.02½	Denison Nickel	2,500	.03	.03½	.03	.03
No	25.00	23.50	Dome Mines	1,520	24.37	24.50	23.50	23.75
1	*.04	.01½	Dorval Siscoe		(.02 bid .03 asked)			
1	16.63	11.75	Duquesne	32,650	15.00	15.00	13.50	13.50
1	2.95	2.60	East Malartic	17,644	2.76	2.78	2.61	2.61
1	.52	.39	Eldorado	2,160	.40	.41	.39	.39
			F, G					
No	2.60	2.00	Falconbridge	1,000	2.10	2.05	2.00	2.05
1	.06	.04½	Federal	23,600	.05½	.05½	.05	.05
1	.06½	.03½	Fernland	90,100	.05	.06	.04½	.04½
No	.55	.44	Francoeur Gold	11,550	.45	.48	.44	.44
1	.04½	.03½	Gillies Lake	3,100	.03½	.03½	.03½	.03½
1	.02	.01½	Glenora	1,500	.02	.02	.01½	.01½
No	.39	.31½	God's Lake	7,400	.34	.32	.31½	.32
1	.16½	.14	Goldale	2,800	.16	.15	.14	.14
50c.	.29	.25	Gold Belt	100	.27	.25½	.25½	.25½
1	.10	.08	Gold Eagle	3,700	.09½	.08½	.08	.08
1	.13	.09½	Golden Gate	20,000	.10½	.10½	.09½	.10
1	.02	.01	Goodfish		(.01 bid .01½ asked)			
1	.02½	.02	Graham Bosquet	7,000	.02½	.02½	.02	.02½
No	.06½	.06	Grandora	15,000	.06½	.06½	.06½	.06½
1	*.04	.02	Grull Wihksne		(.01½ bid .04 asked)			
1	.38	.33	Gunnar Gold	3,500	.35	.36	.33	.35
			H, I, J					
1	.02½	.01½	Halcrow Swayze	161,500	.02½	.02½	.02	.02½
1	.01½	.01½	Halliwell Gold		(.01½ bid .02½ asked)			
1	5.40	5.15	Hallnor Mines	255	5.15	5.40	5.25	5.40
1	1.10	.87	Hard Rock	12,950	.95	.95	.87	.88
1	.08	.04½	Harker	1,900	.05½	.05½	.04½	.04½
1	*.57	.30	Hedley Mascot		(.... bid .... asked)			
5	13.12	12.00	Hollinger	3,114	12.87	13.00	12.00	12.75
1	.30	.25	Howey Gold	3,550	.26	.27	.25	.26
No	27.00	24.00	Hudson Bay	1,335	25.50	26.00	25.00	25.00
1	.25	.20	Inspiration	2,000	.22	.24	.24	.24
No	36.75	33.50	Int. Nickel	2,642	36.00	35.63	33.50	33.50
50c.	*1.09	.05	Island Mountain		(.71 bid .85 asked)			
1	.02½	.02	Jacola		(.01½ bid .02½ asked)			
1	.27	.18	Jack Waite	9,000	.20½	.20½	.18	.18
1	.02½	.01	Jellicoe	3,084	.02½	.02½	.01	.01
1	.01½	.00⅞	J. M. Cons. Gold		(.01 bid .01½ asked)			
1	.01½	.01½	Joliet Quebec	7,000	.01½	.01½	.01½	.01½
			K, L					
1	3.95	3.35	Kerr Addison	22,408	3.70	3.70	3.40	3.40
1	*.45	.20	Kerr Lake		(.20 bid .39 asked)			
1	.02	.02	Kirk. Gold Rand		(.02 bid .04 asked)			
1	.25	.15	Kirk. Hud. Bay	4,200	.20	.25	.25	.25
1	1.05	.85	Kirkland Lake	11,470	.96	.95	.85	.92
1	.10	.07½	Kirk. Townsite	1,500	.09	.08½	.08½	.08½
1	21.00	19.00	Lake Shore	2,950	20.00	21.00	19.37	19.37
No	5.15	4.75	Lamaque Gold	606	4.75	5.00	4.75	4.85
1	.12½	.07½	Lapa Cadillac	10,500	.10	.09½	.07½	.08
1	.02½	.01½	Lebel Oro		(.01½ bid .02½ asked)			
1	.60	.49	Leitch Gold	5,500	.51	.52	.49	.49
No	2.15	1.90	Little Long Lac	2,875	2.00	2.00	1.90	1.90
			M					
1	4.30	3.85	Macassa	9,740	4.10	4.10	3.85	3.85
1	2.35	1.95	MacLeod Cockshutt	7,225	2.15	2.09	1.95	1.95
1	.62	.51	Madsen Red Lake	26,225	.58	.60	.51	.51
1	1.17	.95	Malartic Gold	25,450	1.07	1.06	.95	.95
No	.09	.07	Mandy	5,500	.09	.08	.07	.07
No	.01	.00⅞	Man. & Eastern		(.00⅞ bid .01 asked)			
1	.04	.01½	Maralgo	1,500	.04	.03½	.03	.03
5	52.25	47.00	McIntyre	965	48.75	48.00	47.00	47.00
1	1.32	1.10	McKenzie R.L.	10,820	1.17	1.18	1.10	1.14
1	.09	.06	McVittie Graham	1,500	.07½	.06½	.06	.06
No	.24	.19	McWatters	3,400	.21	.21	.19	.20
5	*.39	.39	Mentor Exploration		(.12 bid .49 asked)			
No	.82	.66	Mining Corp.	2,750	.76	.76	.66	.66
1	*.05	.05	Moffatt Hall		(.01 bid .... asked)			
1	.55	.48	Moneta	6,000	.54	.52½	.48	.48½
1	.06	.03½	Morris Kirk.	10,000	.04½	.04	.03½	.03½
1	.03½	.02½	Murphy	3,500	.02½	.03	.02½	.02½
			N, O					
1	.31	.25	Naybob	39,850	.28½	.28½	.25	.25
No	.02	.01½	Newbec	2,000	.01½	.02	.01½	.02
1	*.09½	.01	New Golden Rose		(.01½ bid .02 asked)			
5	1.18	1.06	Nipissing	600	1.10	1.12	1.06	1.06
No	58.00	54.00	Noranda	1,409	55.50	55.87	54.00	54.00
No	.50	.40	Nor. Canada	588	.50	.50	.50	.50
1	.04	.03½	Norgold	3,000	.03½	.03½	.03½	.03½
1	.40	.30	Normetals	2,342	.37	.38	.33	.37
1	5.00	5.00	Northern Empire	50	5.25	5.00	5.00	5.00
1	1.15	.80	O'Brien	5,495	.96	.99	.80	.81
1	.16	.13	Omega	6,200	.14	.13½	.13	.13
1	*.10	.03½	Osisko		(.03½ bid .06 asked)			
			P, Q, R					
No	1.65	1.25	Pamour	14,689	1.35	1.36	1.25	1.25
1	.08½	.06	Pandora	9,900	.07	.07	.06	.06
1	2.70	2.60	Pato Cons. G.	1,500	2.60	2.65	2.63	2.65
1	.05	.02	Partanen Mal.	32,300	.04½	.05	.04	.05
1	.01	.00⅞	Pawnee Kirk.		(.01 bid .01½ asked)			
1	.28	.22	Paymaster	17,300	.23	.23½	.22	.22½
1	2.10	1.75	Pend Oreille	1,810	1.82	1.84	1.75	1.75
1	1.60	1.45	Perron Gold	2,135	1.50	1.50	1.45	1.46
1	3.00	2.65	Pickle Crow	7,365	2.85	2.83	2.65	2.65
1	2.30	2.10	Pioneer Gold B.C.	100	2.15	2.13	2.13	2.13
1	9.50	9.00	Placer Devel.		(9.75 bid .... asked)			
1	1.04	.85	Powell Rouyn	1,400	*.91	.93	.90	.90
1	.95	.90	Premier Gold	1,150	.93	.92	.90	.90
1	3.40	2.82	Preston E. Dome	61,530	3.25	3.20	2.82	2.90
No	*.35	.20	Prospectors Air's.		(.20 bid .59 asked)			
1	*.42	.20	Quebec Gold		(.25 bid .... asked)			
No	.05	.04½	Quemont	1,000	.05	.04½	.04½	.04½
No	.03	.02	Red Crest	500	.02	.03	.03	.03
1	*.26	.15	Reeves McDonald		(.13½ bid .... asked)			
1	.13½	.10	Reno Gold	2,800	.12	.11½	.10	.11½
1	.00⅞	.00⅞	Robb Montbray		(.00⅞ bid .00⅞ asked)			
1	.05	.04	Roche Long Lac	2,000	.04½	.04½	.04	.04
			S, T, U, V, W, Y					
1	2.65	2.30	San Antonio	12,825	2.46	2.50	2.30	2.31
1	.07½	.05	Sand River	4,000	.05½	.05½	.05	.05
1	.59	.40	Senator Rouyn	31,550	.51	.50	.40	.40½
1	.04	.01½	Shawkey		(.01½ bid .... asked)			
50c.	.88	.80	Sheep Creek	1,900	.83	.83	.81	.81
1	.87	.75	Sherritt Gordon	21,021	.80	.81	.75	.75
1	8.90	7.50	Sigma Mines	297	8.50	8.50	7.50	7.50
1	.61	.52	Siscoe	11,280	.60	.60	.57	.57
1	.43	.34	Sladen Malartic	6,900	.35½	.36	.34	.35
1	.19½	.12	Slave Lake	86,700	....	.19½	.15½	.16½
1	.15	.08½	St. Anthony	27,100	.14	.14½	.12	.12½
No	1.78	1.30	Steep Rock	22,400	1.53	1.52	1.30	1.30
No	.04½	.04	Straw Lake	12,500	....	.04½	.04	.04
1	.19	.17	Sturgeon River	1,200	.18	.19	.19	.19
No	1.65	1.25	Sudbury Basin	1,660	1.35	1.36	1.30	1.30
1	.05½	.04½	Sudbury Contact	500	.05	.04½	.04½	.04½
1	.66	.60	Sullivan Cons.	5,150	.62	.64	.60	.62
1	2.95	2.70	Sylvanite	1,825	2.75	2.75	2.70	2.70
1	3.75	3.20	Teck Hughes	7,555	3.50	3.50	3.20	3.20
1	.08½	.05½	Temiskaming	5,000	.06	.06	.05½	.05½
1	1.80	1.55	Toburn Gold	1,325	1.75	1.68	1.60	1.60
1	.14	.12	Towagmac		(.11 bid .12 asked)			
No	.50	.30	Trans. Resources	6,500	.45	.45	.30	.30
1	.39	.30	Uchi Gold	700	.30	.34	.33	.33
	84.00	82.00	Do., Bonds		(84.00 bid .... asked)			
1	2.28	1.50	Upper Canada	93,040	1.86	1.86	1.50	1.52
No	4.25	3.15	Ventures	2,005	3.75	3.75	3.30	3.30
No	4.20	3.60	Waite Amulet	2,000	3.75	3.85	3.65	3.65
1	.26	.21	Wendigo	750	.23	.22	.21	.21
1	.01½	.01½	Wiltsey Coughlan		(.01½ bid .02 asked)			
1	.10	.08	Wood Cadillac	2,100	.08	.08½	.08½	.08½
No	.705	6.50	Wright-Hargreaves	6,742	6.75	6.70	6.50	6.50
No	.07	.06	Ymir Girl	3,500	.06½	.06½	.06½	.06½

Oil Stocks

Par Val.	Range 1941 High	Low	Company	Sales	Close Jan. 27 (or last)	High for week	Low for week	Close Feb. 3
No	.11½	.08	Acme Gas & Oil	5,500	.08½	.08½	.08	.08
1	.09	.08½	Alta. Pac. Cons.		(.08½ bid .10 asked)			
1	*.22½	.10	Ajax		(.16 bid .22 asked)			
No	.81	.60	Anglo Canadian	10,700	.72	.70	.66	.66
No	*.07	.06	Anaconda		(.... bid .... asked)			
No	.12	.07½	Br. Dominion	2,500	.09½	.10	.07½	.07½
No	.10	.08½	Brown Oil	1,500	.08½	.08½	.08	.08
92.50	*75.00	65.00	Do., pref.		(.... bid 66.00 asked)			
No	1.49	1.25	Calgary & Ed.	2,910	1.38	1.35	1.25	1.25
1	.26	.22	Calmont	3,500	.24½	.24½	.22	.22
No	.26	.22	Commoil	3,200	.26	.22½	.22	.22½
No	.21	.20½	Common Pete	500	.20½	.20½	.20½	.20½
No	.32	.25	Dalhousie	3,300	.26	.30	.25	.25
No	.16½	.14	Davies Pete	5,900	.14½	.14½	.14	.14½
No	.05	.03½	East Crest	1,000	.04½	.04½	.04½	.04½
No	.16½	.16½	Extension Oil	500	.16½	.16½	.16½	.16½
No	.30	.28	Federated Pete	600	....	.30	.28	.28
25c.	.04½	.04½	Firestone Pete		(.04½ bid .04½ asked)			
No	.80	.70	Foothills		(.60 bid .80 asked)			
25c.	.08	.07	Foundation Pete.	1,000	.08	.07	.07	.07
No	*.18	.05	Hargal		(.... bid .20 asked)			
No	.15	.15	High Sarcee		(.11 bid .16 asked)			
No	2.55	2.15	Home	6,895	2.30	2.28	2.15	2.16
1	.02	.02	Homestead O. & G.	100	.02	.02	.02	.02
No	.08	.05	McD. Segur	5,500	.07½	.08	.06½	.08
1	*.30	.16	Model		(.... bid .... asked)			
25c.	*.09	.03	Monarch Royalties		(.... bid .06 asked)			
25c.	*.21½	.04	National Petroleum		(.05 bid .... asked)			
1	.06	.03	Nordon	1,000	.06	.06	.06	.06
No	.02½	.02½	Oil Selections	500	.02½	.02½	.02½	.02½
No	.78	.65	Okalta	2,700	.66	.65	.65	.65
1	.04	.03½	Pacalta		(.03½ bid .03½ asked)			
1	.27	.23	Pacific Petroleum	500	.24	.23	.23	.23
1	.30	.30	Petrol Oil & Gas		(.30 bid .50 asked)			
25c.	.09	.07½	Prairie Royalties	9,000	.08½	.08½	.07½	.07½
No	22.00	18.00	Royalite	433	20.50	20.00	18.00	18.50
No	.23	.23	South West Pete.	200	.23	.23	.23	.23
No	.02½	.01½	South End		(.01½ bid .02 asked)			
No	1.25	1.00	Texas Can.	70	1.05	1.25	1.15	1.25
No	.04½	.04	United Oils	500	.04	.04½	.04½	.04½
1	.02½	.02½	Vermilata	1,500	.02½	.02½	.02½	.02½
No	.30	.30	Vulcan		(.32½ bid .40 asked)			
No	.02	.02	West Flank	500	.02	.02	.02	.02

Vancouver Stocks

Par Val.	Range 1941 High	Low	Company	Sales	Close Jan. 27 (or last)	High for week	Low for week	Close Feb. 3
1	.05	.05	Big Missouri	700	.05	.05	.05	.05
No	10.40	10.00	Bralorne	1,170	10.15	10.15	10.00	10.00
1	.00⅞	.00⅞	Bridge River Cons.		(.... bid .01 asked)			
1	2.91	2.35	Cariboo Gold	3,100	2.88	2.89	2.75	2.75
No	*.01½	.00⅞	Dentonia		(.... bid .01 asked)			
No	.01½	.00⅞	Fairview Amal.	1,825	.01½	.01	.01	.01
1	*.28	.10	George Copper		(.... bid .25 asked)			
1	*.05	.02½	Golconda		(.03½ bid .05 asked)			
50c.	.32	.28	Gold Belt	6,500	.30	.29	.28	.29
50c.	.15	.10	Grandview	700	.15	.14½	.14½	.14½
1	.02½	.02½	Grull Wihksne	2,000	.02½	.02½	.02½	.02½
1	.60	.53	Hedley Mascot	2,100	.54	.55	.53	.53
No	*.00⅞	.00⅞	Home Gold		(.... bid .00⅞ asked)			
1	*.01	.00⅞	Indian Mines		(.01 bid .... asked)			
50c.	.85	.85	Island Mountain		(.77 bid .86 asked)			
1	.33	.33	Inter'l Coal		(.33 bid .38 asked)			
50c.	.24	.20	Kootenay Belle	700	.22	.22	.20	.22
1	.25	.25	McGillivray Creek		(.... bid .25 asked)			
No	.00⅞	.00⅞	Minto Mines		(.... bid .... asked)			
50c.	.00⅞	.00⅞	Nicola		(.00⅞ bid .... asked)			
1	.05	.03½	Pacific Nickel	500	.05	.03½	.03½	.03½
1	2.00	1.80	Pend Oreille	50	1.90	1.80	1.80	1.80
1	2.25	2.10	Pioneer Gold	100	2.20	2.20	2.20	2.20
50c.	.01½	.01½	Porter Idaho		(.01 bid .02 asked)			
No	.03½	.01½	Premier Border	13,000	.02½	.02½	.02½	.02½
1	.95	.90	Premier Gold	1,200	.95	.94	.92	.92
No	.63	.48	Privateer Mines	12,600	.54	.53	.48	.51
1	.02½	.01½	Quatsino Copper		(.... bid .... asked)			
No	.20	.15	Reeves McDonald	1,500	.18	.17	.15	.15
1	.03	.03	Relief Arlington		(.02½ bid .03 asked)			
1	.13	.10	Reno Gold	5,500	....	.11	.10	.11
1	*.06½	.04	Sally Mines		(.... bid .... asked)			
50c.	.02½	.02½	Salmon Gold	1,000	.02½	.02½	.02½	.02½
50c.	.88	.82	Sheep Creek	1,500	.83	.84	.82	.82
1	.75	.65	Silbak Premier	550	.70	.72	.70	.70
No	*.00⅞	.00⅞	Silvercrest		(.... bid .... asked)			
1	*.05	.05	Sunloch		(.... bid .... asked)			
50c.	.11½	.10½	Surf Inlet	200	.11½	.10½	.10½	.10½
No	*.03	.02	Taylor Bridge		(.02½ bid .01 asked)			
20c.	.00⅞	.00⅞	Wellington		(.00⅞ bid .00⅞ asked)			
50c.	*.00⅞	.00⅞	Wesko		(.... bid .00⅞ asked)			
1	.02	.01	Whitewater		(.01 bid .02 asked)			
No	.07	.06	Ymir Yankee Girl		(.05½ bid .07½ asked)			

Oil Quotations

Par Val.	Range 1941 High	Low	Company	Sales	Close Jan. 27 (or last)	High for week	Low for week	Close Feb. 3
1	.09½	.08	Alta. Pac. Cons.	1,050	.08	.08½	.08½	.08½
1	*.00⅞	.00⅞	Amalgamated		(.00⅞ bid .00⅞ asked)			
No	.83	.61	Anglo Canadian	1,900	.72	.73	.68	.68
No	.08½	.04	Anaconda	4,800	.07	.07	.06½	.07
No	*.13	.04	Brit. Dominion		(.... bid .... asked)			
No	*.18½	.06	Brown Oil		(.... bid .... asked)			
No	1.50	1.20	Calgary & Ed	710	1.35	1.36	1.20	1.30
1	.26	.22	Calmont	1,800	.26	.24	.22	.22
No	.25	.21	Commoil	8,600	.25	.25	.21	.21
1	.20½	.20½	Commonwealth		(.20½ bid .22½ asked)			
No	.30	.30	Dalhousie	200	....	.30	.30	.30
No	.15½	.14	Davies Pete		(.13 bid .15 asked)			
No	.04	.04	East Crest		(.... bid .... asked)			
No	.17	.16	Extension	2,000	.17	.16½	.16½	.16½
No	.33	.33	Federated Petroleum	800	.35	.33	.33	.33
25c.	*.08½	.05	Firestone		(.... bid .05½ asked)			
No	*1.05	.38	Foothills		(.60 bid .70 asked)			
25c.	.06½	.06½	Foundation Pete	1,400	....	.06½	.06½	.06½
No	*.12	.08½	Four Star		(.... bid .12 asked)			
No	.15	.15	High Sarcee		(.11 bid .... asked)			
No	2.52	2.18	Home Oil	3,010	2.28	2.28	2.18	2.23
No	.01½	.01½	Madison	1,500	.01½	.01½	.01½	.01½
No	.01½	.01½	Marjon Oil		(.01½ bid .02 asked)			
No	.07	.06	McD. Segur Ex.	2,000	.08	.07	.07	.07
No	.05	.04	Mercury	1,500	.05	.04½	.04	.04
No	.05	.04½	Mill City Pete		(.04 bid .06 asked)			
1	.19	.17	Model		(.16 bid .20 asked)			
25c.	.03½	.03½	Monarch Royal	500	....	.03½	.03½	.03½
25c.	.04½	.04½	National Pete		(.04½ bid .... asked)			
1	*.05	.04	Nordon		(.... bid .... asked)			
No	.75	.65	Okalta	100	.72	.65	.65	.65
No	.04	.04	Pacalta Oil		(.... bid .04½ asked)			
1	.26	.20	Pacific Petroleums	3,600	.25	.23	.20	.20
25c.	.08	.07½	Prairie Royal	5,000	.08	.07½	.07½	.07½
No	.15	.09½	Royal Canadian		(.11½ bid .12½ asked)			
No	*.10½	.05	Royal Crest		(.... bid .... asked)			
No	22.00	19.00	Royalite	20	19.50	19.00	19.00	19.00
No	*.07½	.03	South End		(.... bid .... asked)			
No	*.60	.21	Southwest Pete		(.25 bid .... asked)			
1	*.06	.02	Spooner		(.04½ bid .... asked)			
25c.	.12	.12	Sunset Oil	1,000	....	.12	.12	.12
No	.04½	.04½	United		(.04½ bid .05 asked)			
No	.04½	.04½	Vanalta		(.04 bid .06 asked)			
1	.38½	.38½	Vulcan		(.34 bid .40 asked)			
No	*.05	.02	West Flank		(.... bid .... asked)			

* Quotations for 1940.

Winnipeg Stocks

(Transactions from Jan. 27 to Feb. 1)

	Sales	High for period	Low for period	Close Feb. 1
Beaver Lumber, c.	100	3.50	3.50▲	3.50
Dominion Envelope, c.	11	8.50	8.50	8.30
Great West Life	4	205.00	205.00	205.00
Gold Range	500	.01	.01	.01
Home Investment	250	15.00	15.00	15.00
Marvel Oil	2,000	.02½	.02½	.02½
Minn. & Ont. Paper	100	4.50	4.50	4.50
United Grain Growers	2	9.00	9.00	9.00
Western Breweries	100	2.00	2.00	2.00
Wingold	4,000	.08¾	.08¾	.08¾
Wings	300	.50	.50	.50
West Red Lake	2,000	.04½	.04½	.04½

Stocks Not Traded in During Week*

	Bid	Asked
Beaver Fire	75	..
Beav. Lumber, p	102	..
Can. Airways	1	..
Can. Indemnity	150	..
Cres. Cream, p.	..	15
Dom. Envelope, p	..	100¾
Do., pref.	..	100¾
Nor. Can. Mtg. p.	5	..
Nor. Trusts	7	..
Traders Bldg.	43	..
West. Grain, p.	..	7
Wings, Vot. Tr.	⅓	..

*Stocks more active on other exchanges not included.

Volume of Stock Sales

	Montreal Markets Indust.	Montreal Markets Mines	Toronto Markets Ind. & Mines	Vancouver Markets Ind. & Mines
Feb. 4	11,200	18,700	383,000	......
Feb. 3	10,800	10,300	271,000	9,662
Feb. 1	4,800	3,800	170,000	7,830
Jan. 31	9,200	14,800	280,000	11,605
Jan. 30	11,700	8,600	304,000	12,140
Jan. 29	10,300	9,200	260,000	19,860

Government Bonds

(Supplied by Investment Dealers' Assoc. of Canada)

Dominion of Canada Bonds Feb. 5, 1941

%	Due	Bid	Ask.	Approx. Yld.
1	Mar. '41	99⅞	100⅛	.10
5	Nov. '41	102⅞	103⅛	.86
1½	May '42	100⅛	100⅞	.99
2	June '42	100⅞	101⅛	.98
3	Oct. '42	102⅞	103½	1.16
2½	June '43	102	102½	1.41
5	Oct. '43	108	108⅞	1.68
2	June '44	100⅛	101⅞	1.57
a2½	Jan. '44	92	93½‡	4.72
4½	Oct. '44	108⅞	109½	1.94
2½	Nov. '44	102	102½	1.75
a2½	Aug. '45	90½	91½‡	4.71
4	Oct. '45	105½	106	b1.72
4½	Feb. '46	109½	110½	2.32
3½	June '49	102½	103	b2.64
3½	Oct. '49	102⅞	103½	b2.50
3½	Nov. '51	100⅞	101½	b3.03
3½	Feb. '52	101½	102	b2.94
a5	May '52	98½	99½‡	5.06
4	Oct. '52	105⅞	106½	b2.94
3	Oct. '52	96½	99½	3.08
3	June '55	98½	99½	3.06
4½	Nov. '56	107⅞	108½	b2.90
4½	Nov. '57	108½	109	b3.03
3	June '58	97⅞	98½	3.11
4½	Nov. '58	108⅞	109½	b3.12
4½	Nov. '59	109½	110½	b3.16
a4	Oct. '60	89⅞	91‡	4.70
a3½	Jan. '61	81	82½‡	4.60
3½	June '66	100½	101	b3.17
a3e	Jan. '67	78⅞	79⅞‡	4.30
a3e	Nov. '68	78⅞	79⅞‡	4.24
†3	Perpet'l.	80½	90	3.33
	Dominion Guarant'd Bonds			
	Can. Nat'l. Railways:			
2	Feb. '43	100⅞	101½	1.25
2½	Jan. '46	99⅞	100⅞	2.09
3	May '44	103	104	1.73
3	Dec. '50	98⅞	99⅞	3.03
3	Feb. '53	97⅞	98⅞	3.12
3	Jan. '59	96⅞	97⅞	3.16
*4½	Sept. '51	114½	115½	2.79
*4½	Feb. '56	115	116	3.15
4½	July '57	115½	116½	3.20
*4½	June '55	117	118	3.19
5	Feb. '54	117½	118½	3.24
*5	July '69	114½	115½	b1.80
*5	Oct. '69	118½	119½	b2.94
*5	Feb. '70	118½	119½	b3.00
	Grand Trunk Pacific Rly.:			
3	Jan. '62	98	99	3.07

Provincial Gov't. Bonds

%	Due	Bid	Ask.	Approx. Yld.
	New Brunswick:			
3	Oct. '51	89	91	4.02
3½	Aug. '49	92	93	4.24
3½	June '56	92½	93½	4.07
c4	Nov. '47	97½	99½	4.08
c4½	Apr. '61	100	101½	4.39
c5	Jan '60	104½	105½	4.56
	Nova Scotia:			
3	Jan. '52	94	95	3.55
3½	June '56	94	95	3.68
3½	Nov. '50	98	99	3.62
c4½	Sept. '52	106	107	b3.32
c4½	Nov. '60	108	111	3.72
c5	Mar. '60	113	116	3.83
	Ontario:			
2½	May '45	100½	101½	2.20
3	Apr. '48	99	100	3.00
3	Nov. '50	98	99	3.12
3½	Nov. '51	99⅞	100⅞	b3.15
3½	May '55	99½	100½	b3.20
*4	June '62	107	109	3.40
4½	June '50	108⅞	109⅞	3.30
*4½	Jan. '62	113½	115½	3.46
5	Oct. '48	111½	112½	3.17
*5	Dec. '60	120	122½	3.43
5½	July '46	111½	112½	2.90
	Ont. Hydro Commission:			
3	Aug. '48	99	100	b3.00
3½	Feb. '53	99⅞	100⅞	b3.15
3½	Apr. '47	102	103	2.96
	Prince Edward Island:			
3	Oct. '45	95	97	3.69
	Quebec:			
3	Nov. '47	95	96	3.67
3½	Mar. '48	96	97	3.73
3½	Mar. '59	93½	95½	3.85
3½	Feb. '55	97	98	3.93
4	Mar. '52	100	101	3.80
4½	Aug. '58	101½	103	4.01
4½	Jan. '63	105	107	4.08
	Alberta:			
4	Dec. '54	53½	57½	d
4½	Oct. '51	63	..	d
c4½	Oct. '56	55	59	d
*5	Oct. '59	57½	61½	d
c5½	Apr. '52	61½	65½	d
6	Mar. '47	66	71	d
	British Columbia:			
c4	Dec. '57	97	101	3.93
*4½	Jan. '51	100	104	4.01
c4½	Oct. '53	100	104	4.10
c5	Apr. '54	103½	107½	4.28
5½	Feb. '45	101½	105½	4.00
6	Feb. '47	104	108	4.48
	Manitoba:			
c4	Dec. '57	86½	91½	4.73
c4½	Dec. '56	89½	92½	5.18
*5	Dec. '59	95½	99½	5.04
5½	Oct. '55	98	100	5.50
6	Apr. '47	97	101	5.80
	Saskatchewan:			
4	Sept. '54	66	71	7.44
4	Nov. '60	63	68	7.00
c4½	Oct. '51	79	85	6.43
c4½	Mar. '60	69	74	7.00
5	Aug. '58	74	80	7.00
5½	Oct. '52	79	84	7.53
6	Mar. '32	83½	88½	7.58

*—Payable Can., N.Y. and £. b—Calculated to call date giving lowest possible yield. c—Payable Can. & N.Y. a—Payable N.Y. —†Callable on or after Sept. 15, 1966. d—Traded flat. Interest being paid at 50% of coupon rate, minimum rate 2%. e—Callable at a premium. ‡—N.Y. funds.

Unlisted Stocks

(Furnished by A. J. Pattison, Jr. & Co., Toronto)

Feb. 4, 1941

	Bid	Ask.
Industrials:		
Acme Farm. D.	..	40
Andian National	27	28½
Anglo C. Tel., A	7½	8½
Atlas Steel	20	25
Barrymore, pfd.	28	..
Blue T. Brew. A	8½	..
B. C. Pulp, c.	15	16½
Do., pfd.	60	68
B. C. Sugar	73	75
B. C. Tel., 1st p.	110	115
Burns & Co., A	2½	4½
Do., B	1½	2½
Can. Col. Air.	3½	3½
Can. Co-op. Wl.	6	7½
C. I. L., A c.	210	220
Can. Ing. Rand	76	84
Can. Mot. L.A.B.	2⅞	..
Can. Tube, 1st p	90	..
Can. West'ghouse	44	47
Chase, A. W., p.	18	20
Claude Neon, p.	5	6
Colonial Steam.	15	17
Dom. Manuf., p.	61	65
Dunlop T. p $25	23½	24½
Easy Wash. p $10	9½	11
Goderich Elev.	7½	8
Guard. Realty, p	16	18
Guelph Carp., c.	24	..
Gurney Fdry., p	1	1½
Hayes Steel, c.	9½	10½
Hi'land Dairy, p	49	56
Do., com.	2	3
Homewood San.	100	120
Ingram & Bell	23½	30
Kingst. Ship. un	26½	30
Loblaw Inc., c.	11½	13
M'row Screw, p.	99	..
Do., com.	10	..
Morrison Br. un.	4½	6½
N. B. Tel., c.	10½	13
Neilson, Wm., c.	9	..
Do., pfd.	100	..
N. Meth. Ldy., p	52½	57½
Niag. L. A. Br.	..	43
Ont. Tobacco, p.	15	17
Pac. C. Term., c	9	10½
Paterson, Wm. p	102	..
Prov. Paper, pfd	105½	107
Ruddy, E. L., p.	22½	25
Seal O Sac (Can.)	1	2½
Stand. Fuel, p.	61	65
Stedman, pf. $50	56	59
Tor. Carpet, c.	39	..
Do., pfd.	63	68
Un. F. Co-op.	2½	3
Un. Steel, A pf.	22½	23½
Viceroy Mfg., p.	24½	25½
Do., com.	11½	15½
Westons Hold.	2	..
Trusts & Loan Stocks:		
Brit. Mtge.	130	135
Capital Tr.	28	33
Com. Fin., c.	2½	3
Grey & B. Tr. $50	43	46
Guaranty Trust	102	103
Guelph & O. $50	50	54
London & West.	30	34
Premier Trust	60	65
Sherbrooke Tr.	120	..
Sterling Trust	57	..
Traders Fin. A c	10	11½
Do., A pfd.	89	93
Trusts & Gr., new	50	52
Victoria Trust	71	80
Insurance Stocks:		
Canada Life	400	..
Brit. Amer.	50	55
Canadian Fire	78	..
Confed. 30% pd.	137	142
Continental L.	35	..
Crown, fully pd.	250	268
Dominion Fire	135	..
D. of Can. Gen.	100	110
Empire 25% pd.	5½	6½
Excelsior 38% pd	70	..
Federal 25% pd.	51	55
Great-West Life	200	215
Halifax Fire	17	18½
Imperial Life	285	297
Manufac. Life	232½	242½
Monarch Life	33	35
Sov. L. 25% pd.	11½	13
Sun Life	293	330
Tor. General	5	5½
Wellington Fire	58	..
Western Assce.	40	43
Theatre Stocks:		
Allen's King., p.	60	64
Do., London p	50	54
Do. St. Cath. p	51	54
Do., Tor., p.	30	35
Mansf. Theat., p	28	30
Para. Kitch., p.	30	35
Do., Oshawa, c	8	11
Investment Trust Shares:		
Can. Investors	5	6
Deb. & Sec. pf.	61	..
Sec's. Hold., pf.	19½	21
United Corp., A	19	21
Do., B	4½	6
Power Issues:		
Can. W. N. Gas	25	..
Do., pfd.	102	104½
Gt. Lakes Pr., p	101	103
Int. Ut., $1.75 p.	14	..
Do., $3.50 p.	35	..
Mtl. Is. Pwr., p.	20	..
Nor. Ont. Pr., p.	75	80

Unlisted Mines

Toronto, Feb. 4, 1941

	Bid	Ask
Acordia	..	.23
Addington	.00⅞	.01½
Albany River (Old)	.09	.11
(New)	.22	.26
Amal Kirk	.09	.10
Anoki	.02	.02½
Aquarius	.25	.28
Arjon	.03½	.04½
Armistice	.07	.08
Argosy	.07½	.08½
Area	.03½	.04½
Arno	.00½	.01½
Athona (Old)	.01½	.02½
(New)	.03	.04
Barb Lard	.02	.02½
Bilmac	.02½	.03½
Bonetal	.48	.52
Brock	.29	.31
Buf Bear	..	.04
Calder Bo	.02	.03
Central M	.02½	.03
Cheminis	.03½	.04
Coln Lake	.03½	.04
Cons Chib	.05½	.07
Crescent	.00⅞	.01½
Dayton	.01½	.02½
Demp Cad	.00⅞	.01½
Desants n	.22	.25
Dona Pat	.01½	.02
E Lacoma	.00½	.01
Elmos	.08	.10
Franco	..	.28
Galore	.02	.03
Gan Cop	.12	.15
Gate Pat	.00½	.01
Gilbec	.01	.01½
Gord Leb	.00⅞	.01½
Hoyle nw	.30	.32
Hugh PaP	.08	.09
Hutch Lke	.01½	.02
Jason	.45	.48
Jasper	.16	.18
Keora	.02	.03
Kenricia	.01½	.02½
Kewagama	.01½	.02½
Kiena	.05	.07
Kirk Gate	.01	.02
Lacoma	.00⅞	.01½
LaGuerre	.16	.20
Lake Duf	.20	.23
Lake Gen	.03	.05
Lardego	.00⅞	.01½
Lw Pete	.15	.19
Magnet C	.80	.85
Magnet L	.19	.23
Magwell	.02	.04
Manik'u	2.25	2.75
Martin Br	.03½	.04
Margaret	.08	.10
Mata Can	.03½	.04½
Mata Con	.16	.18
MofHal n	.03	.04
Monarch	.01½	.02½
Mooshla	.02	.03
Mosher	.05½	.06½
McGregor	.01½	.02½
Nat Mal	.30	.33
Negus	.90	.97
New Aug	.31	.35
New Roy.	.00½	.01½
Nickel O	..	1.20
Norbeau	.25	.30
Norlake	..	.01
Northland (1940)	..	.09
Norwin	.02	.04
Oklend	.07	.08
O'Leary	.01⅞	.02½
Opemiska	.03½	.05
Oriole	.00½	.01
Orpit	.07½	.08
Ossian	.00⅞	.01½
Pascalis	.33	.36
Pontiac R (Old)	..	.06
Pelangio	.02	.02½
Phoenix	.02	.03
Polaris	.09	.11
Propri'y	2.75	2.85
Presdor	.05	.05½
Queb Man	.06	.07
Rahn Lke	.01	.01½
Rand Ml	.11	.13
Red Lake	.01½	.02½
Sachigo	2.00	2.75
Senore	.13	.16
Shenango	.02½	.03
Sheldon	.05	.06½
Siscoe Ex	.01½	.02½
Skynner	.04½	.06
Smelters G	.01	.01½
Spooner	..	.03
Sunbeam	..	.03
Springer	.21	.23
Stadacona	.04	.06
Thomson	.14	.16
Thomp Cd	.02½	.04
Treaty P	..	.13
Union Mn	.04	.06
Wasu	.04	.05
West Red	.04½	.06
Woco	.03	.04
Y David'n	.24	.28

Montreal, February 4, 1941

	Bid	Ask
Cad Exp	.01	.02
Chibmac	..	.02
C. Pand'ra	.01½	.03
Cournor	.18	.20
Dubisson	..	.16
L Rowan	.04½	.05½
Obalski	.01½	.03
Pan Can	.05	.07
Scott Ch	.01½	.02½
Westwd C	.02	.03

Corporation Bonds

(Supplied by Investment Dealers' Association of Canada)

Feb. 3, 1941

Public Utility Issues:	Int. Rate %	Due	Bid Feb. 3	Asked Feb. 3	Bid Jan. 28
▲‡Alg. C. H.B.R.	5	'59	6	9	6½
†Assoc. Tel & T.	5½	'55	..	76	75
B. C. Power	4½	'60	99½	102½	99
B. C. Tel.	4½	'61	107	110	106½
†Calgary Pwr.	5	'60	107	110	107
Do.	5	'64	102½	..	102½
†Can. Nor. Pwr.	5	'53	102	105	103
*Dom. Gas & El.	6½	'45	104	..	103½
Gatineau Pwr.	5	'49	102	105	102
*Do., A	3½	'69	97½	100½	97½
♦Do., B	3½	'69	97½	100½	97½
Gt. Lakes Pwr.	4½	'36	98	101	98
Do.	5	'37	94½	97½	95
*Int. Hydro-E.	6	'44	57½	60½	59
▲Inter. Power	6	'55	101	104	101
L. St. Law Pwr.	5	'55	98½	101½	98½
Macl'n-Que. Pr.	4	'59	97½	100½	97½
Mtl. L. H. & P.	3½	'56	101½	104½	101½
Do.	3½	'73	98½	101½	99
Do.	3½	'63	99½	102½	100
†Mtl. Tramways	5	'41	93	96	93½
†Do.	5	'55	66	69	67½
Nat. Lt. & Pwr.	6	'49	99½	102½	99½
N. S. Lt. Pr.	4	'57	100½	103½	100½
Ottawa H. & P.	4	'57	101½	104½	101½
Ottawa V. Pwr.	5	'59	102	105	102
†Power Corp.	4½	'59	97	100	97½
Quebec Pwr.	4	'62	100½	103½	100½
*Saguenay P., A	4½	'66	110½	..	110½
♦Do., B	4½	'66	107	110	107
St. Maurice Pr.	4½	'70	100	103	101½
Shaw W. & Pr.	4	'61	101	104	101½
Do.	3½	'46	100½	103½	100½
Do.	4	'69	100½	103½	101½
Union Gas	4½	'50	102	105	102
*Twin C. R. Tr.	5½	'52	67	70	68½
†United Secs.	5½	'52	59	62	59
‡Wpg. El., ser. A	5	'65	67	70	68½
Do., B	5	'65	..	46	45
Industrial and Realty Issues:					
†Abitibi P. & P.	5	'53	62½	65½	66½
†Do., C.O.D.	5	'53	59½	62½	63
Acadia Sugar	4½	'55	101½	104½	101½
Do.	6	'54	97	100	98
†Alta. Pa. Grain	6	'46	97½	100½	97½
Algoma Steel	5	'48	102	105	101½
Atlantic Sugar	4	'51	100	...	100
†B. C. P. & Pap.	6	'50	90½	..	89
†‡Do.	7	'50	107	112	110
*Brown Co.	5½	.46	43	46	47½
Burns & Co.	5	'58	55	..	51
Canada Bread	6	'41	100½	103½	100½
Canada Cement	4½	'51	103	106	103
Canada Electric	4½	'65	95	98	95
Can. Paper	4½	'52	101	104	101
Can. Steamship	5	'37	97	100	97½
Can. Canners	4	'31	100	103	100
*Can. Int. Paper	6	'49	102	105	102
‡Can. Locomotive	6	'53	88½	..	86½
‡†Candn. Vickers	6	'47	58½	..	57½
C. P. R.	3½	'51	88½	91½	88½
Do.	4	'49	93	96	93
Do.	4½	'44	98½	101½	98
Do.	6	'42	103	106	103½
Col. Steamships	6	'34	95	98	96
†Consol. Paper	5½	'61	59½	62½	63½
Dom. Coal	4½	'52	101	104	101
Dom. Scott. Inv.	4	'52	95	..	95
Dom. Stl. & Co.	6½	'55	106½	109½	107
Dom. Tar	4½	'51	101	104	100½
Dom. Woollens	6	'53	95½	98½	95
†Donnacona P.	4½	'56	73	76	74
*Dryden Pap.	6	'49	99½	102½	99½
‡Dufferin Pav.	5	'55	51	..	51
†East. Dairies	6	'40	81½	84½	80½
Famous Players	4½	'31	100	103	99
†Federal Grain	6	'49	97½	100½	97
†Fraser Cos.	6	'50	98½	101½	98½
Galt Brass	3	'50	78	..	78
Gen. Stl. Wares	4½	'52	98	101	98
*Great L. Paper	5	'55	92	95	92
*Gurney Fdry.	5½	'49	68½	..	67½
†Gypsum, Lime	3½	'48	96	99	96½
Ham. By-Pr., C.	5	'35	101½	104½	101½
Do.	6	'56	99½	102½	99½
Ham. Cotton	4½	'50	99½	..	100
Inter-City Bak.	5½	'48	101	104½	101
Indust. Accept.	4	'32	83½	86½	83½
Ins. Ex. Bldg.	3	'51	42	45	41
*Inter. P., Nfld.	4½	'68	91½	..	92
*Inv. Bond & Sh.	5	'47	49	52	50
†Kingston Elev.	6	'30	105	108	105
Lake St. J. P.	5½	'61	88½	91½	89½
Do.	5	'61	66	69	67
Legare	6	'61	86½	89½	86½
Maple Leaf M.	3	'58	72½	75½	72½
Man. Sugar	5	'60	97	100	97
Massey-Harris	4½	'34	90½	93½	91½
McColl-Fron.	4½	'49	101	104	100½
McCormick's	4	'52	96	99	96
Do.	4½	'32	103	..	103
Mercury Mills	5	'39	91	94	91

Supplementary Stock Quotations

(Furnished by Plaxton, Cherry & Co., Toronto)

Feb. 4, 1941

	Bid $	Asked Feb. 4 $	Bid Jan. 28 $
Miscellaneous:			
Adirondack Fdry. c.	10.25	12.50	10.25
Atlas Steel, 1st p.	106.00	108.00	106.25
Blue Top Brew., B	6.00	6.75	6.00
Brandram Hend., c.	2.00	3.25	2.10
Can. Tube & Stl., c.	3.50	4.50	3.60
Can. West Lumber	.30	.55	.40
Cap. Wirecloth, p.	18.50	21.50	19.00
Collingw'd Term. un	.75	..	.75
Corp. Inv., A	5.85	6.25	5.85
Corr. Paperbox, c.	.50	.80	..
Dover Ind.	7.25	7.75	7.50
East. Bake., pref.	29.00	32.50	28.50
East. Steel Prods., p	20.00	21.00	20.25
Hart Battery, com.	6.00	7.25	6.00
Imperial Varnish, c.	8.25	10.00	8.50
Ind. Accept., pref.	79.50	84.00	79.00
Inter. Equit., units	25.00	30.00	24.00
Inv. Found., units	44.00	46.00	42.50
†Loew's London, p.	2.50	3.00	2.75
Mersey Paper, com.	4.50	6.00	4.75
Mid. Loan & Sav.	14.00	15.25	14.15
*Moirs 6% pref.	19.25	22.00	19.50
Mont. Aircraft, com.	1.00	2.00	1.25
Mt. Royal, new com.	2.65	3.25	2.50
*Mt. Royal, old p.	4.00	5.00	4.00
Murphy Paint, un.	99.00	100.50	99.00
Nat. Hosiery, com.	.70	.95	.70
†N. Amer. Elev., p.	52.50	...	52.50
Premier Trust	62.50	66.00	63.00
Prov. Bank	105.00	107.00	103.50
Reanite Corpn.	4.50	6.00	4.65
Traders Fin, rts.	14.00	15.00	14.00
Trusts & Guar., old	25.50	26.50	25.75
Waterloo Mfg., new	1.00	1.65	1.25
Waterloo Tr. & Sav.	100.50	103.00	100.00
West Can. Hydro, p.	11.35	12.25	11.35
Western L., 10% pd.	8.50	11.50	8.75
Woods Mfg., com.	4.25	6.00	4.25

†Currently paying on arrears.
*Issue carries arrears.

Municipal Bonds

Feb. 4, 1941

†Halifax	5	1961	111.00	115.00
Hamilton	5	1950	110.20	112.20
Montreal	5	1945	97.00	100.00
Ottawa	4½	1945	105.00	107.00
†Quebec	5	1959	106.00	109.00
Saint John	5	1950	102.00	105.00
†Toronto	4½	1955	111.40	113.40
†Vancouver	5	1950	99.00	102.00
Winnipeg	5	1944	101.00	104.00

†Payable Can. and N.Y.

Investment Trusts

	Bid
Affiliated Fund	2.40
Can. Amer. Trust	3.10
Can. Invest. Fund	3.20
Grouped Income	...
Trans-Canada	10.25

Corporation Bonds (Cont'd)

Mersey Paper	5	'57	96½	99½
†Do.	6	'49	99	..
*M. & O. Paper	6	'45	48	51
Moirs Ltd.	6	'33	79	..
‡Mtl. Drydocks	6	'48	38	41
Montreal Apts.	4	'64	58½	61½
Nat. Grocers	4	'47	101	104
N. S. Stl. & Co.	3½	'63	84	87
Price Bros.	5	'57	95½	98½
Do.	4	'37	..	86
*Prov. Paper	5½	'47	105	..
Reliance Grain	4½	'52	95	..
†Restigouche Co.	6	'48	98½	101½
Rolland Paper	4½	'51	102	105
Ruddy, E. L.	6½	'48	101	104
Silv. Dairies	6	'66	94½	97½
Simpsons Ltd.	4½	'31	99½	102½
Smith, Howard	4½	'31	103½	106½
Stand. Lime	6	'44	96	99
Sterling Coal	6	'45	96	..
Stop & Shop	3	'47	61½	..
*United Corp.	5	'43	92	95
*United Gas	5½	'48	104	107
United Gr. Grs.	5	'48	96½	99½
†Western Grain	6	'49	..	49

*Payable in Can. or U. S.
†Payable in Can., U. S. or U. K.
▲Payable in Can. or U. K.
°Payable in U. S. only.
♦Payable in Canada only.
‡Traded without accrued interest.

Annual Meetings

1941:	Company	Place
Feb. 11	Royal Trust	Montreal
Feb. 12	Brockville Trust & S.	Brockville
Feb. 12	Cons. Fire & Cas. Ins.*	Toronto
Feb. 12	Huron & Erie Mtge.	London
Feb. 12	Northern Trusts	Winnipeg
Feb. 12	Ont. Loan & Deb.	London
Feb. 12	Tor. Gen. Ins.	Toronto
Feb. 13	Brit. Mtge. & Trust	Stratford
Feb. 13	Can. Gen. Ins.	Toronto
Feb. 14	Kirkland Lake Gold	Toronto
Feb. 17	Catelli Food Products	Montreal
Feb. 17	Lake St. John P. & P.	Montreal
Feb. 17	Standard Clay Prod.	Montreal
Feb. 19	Shawinigan Water & P.	Montreal
Feb. 20	Can. For. Invest.*	Montreal
Feb. 24	Montreal Life Ins.	Montreal
Feb. 27	Bell Telephone	Montreal

*Special.

Dividends Declared

	This payment	Date payable	Date of record
Agnew Surpass, c.	40c	Mar. 1	Feb. 15
Do., pref.	$1.75	Apr. 1	Mar. 15
Aluminium pf.	†$1.50	Mar. 1	Feb. 8
Do., com.	$2	Mar. 5	Feb. 12
Beattie Gold	4c	Mar.15	Mar. 1
Borden Co.	30c	Mar. 3	Feb. 15
Bk. Can. Nationale	$2	Mar. 1	Feb. 15
Bathurst P & Pap A	25c	Mar. 1	Feb. 14
Bank of Toronto	$2.50	Mar. 1	Feb. 15
Bank of Montreal	$2	Mar. 1	Jan. 31
Can. F. & Forg., A	37½c	Mar. 15	Mar. 1
Can. Cr. Stone	■10c	Mar. 31	Mar. 15
Can. Cel., Inc. Fd. rts.	$1	Mar. 15	Dec. 31
Canadian Oil, c.	12½c	Feb. 15	Feb. 1
Do., extra	12½c	Feb. 15	Feb. 1
Commoil	1c	Feb. 25	Feb. 14
Commonw'th Intl.	4c	Feb. 15	Jan. 15
Can. Malartic	■2c	Mar. 26	Mar. 8
Can. Car. pref.	■44c	Apr. 10	Mar. 21
Chartered Trust	$1	Apr. 1	Mar. 15
Cosmos Imperial	30c	Feb. 15	Jan. 31
Do., extra	15c	Feb. 15	Jan. 31
Crown Cork	50c	Feb. 15	Jan. 31
Canada Cement pf.	$1.25	Mar. 20	Feb. 28
Coniaurum Mines	■4c	Mar. 20	Mar. 8
Corp. Inv., A, B	5c	Feb. 15	Jan. 30
Canada Dry	†15c	Mar. 24	Mar. 10
Canada Vinegars	10c	Mar. 1	Feb. 15
Can. W. & Cable A	$1	Mar. 15	Feb. 28
Do., B com.	50c	Mar. 15	Feb. 28
Do., pref.	$1.62½	Mar. 15	Feb. 28
Can. Gen. Elec.	$2	Apr. 1	Mar. 15
Dom. of C. Gen. Ins.	$6	Feb. 28	Jan. 23
Do., bonus	$3	Feb. 28	Jan. 23
Dom. Bridge	30c	Feb. 25	Jan. 31
Dom. Ang. Inv., pf.	$1.25	Mar. 1	Feb. 15
Federated Pete.	1c	Feb. 20	Feb. 8
Gen. Stl. Wares, pf.	$1.75	Feb. 20	Feb. 10
Gurd, Chas., pfd.	$1.75	Feb. 15	Feb. 1
Granby Cons.†	15c	Mar. 1	Feb. 14
*Hedley Mascot	2c	Feb. 15	Jan. 24
Hallnor Mines	15c	Mar. 1	Feb. 15
Hollinger Cons.	5c	Feb. 25	Feb. 11
Do., extra	5c	Feb. 25	Feb. 11
Inter. Nickel, c.	†50c	Mar. 31	Mar. 1
Kerr Addison G.	5c	Feb. 28	Feb. 12
Kirkland Lake	5c	May 1	Mar. 31
Do., extra	1c	May 1	Mar. 31
Lake of W. Mill. p.	$1.75	Mar. 1	Feb. 15
Laura Secord	20c	Mar. 1	Feb. 15
Loblaw Groc. A B	25c	Mar. 1	Feb. 10
Loblaw Groc. Inc.	†20c	Feb. 28	Feb. 13
Leitch Gold	2c	Feb. 15	Jan. 31
Melchers Dist., pf.	*30c	Apr. 15	Apr. 5
McIntyre Porc.	55½c	Mar. 1	Feb. 1
Mitchell, J. S., c.	$2.50	Mar. 1	Feb. 14
Nat. Biscuit, p.	†$1.75	Feb. 28	Feb. 11
Do., com.	†40c	Apr. 15	Mar. 14
Noranda Mines	$1	Mar. 15	Feb. 20
Naybob Gold	1c	Apr. 15	Apr. 1
N. S. Light & Pr. p	$1.50	Mar. 1	Feb. 15
Ontario Steel pf.	$1.75	Feb. 15	Feb. 3
Petrol Oil	■2c	Mar. 1	Feb. 15
Photo Engravers	50c	Mar. 1	Feb. 15
Privateer Mine	3c	Feb. 10	Jan. 25
Do., extra	1c	Feb. 10	Jan. 25
Penmans	75c	Feb. 15	Feb. 5
Pressed Metals	25c	Mar. 1	Feb. 15
Prov. Transport	20c	Feb. 15	Feb. 10
Provincial Bank	$1.50	Mar. 1	Feb. 15
Quebec Power	25c	Feb. 25	Jan. 25
Rolland Paper	15c	Feb. 15	Feb. 5
Do., pref.	$1.50	Mar. 1	Feb. 15
Royal Bank	$2	Mar. 1	Jan. 31
Regent Knit. pfd.	40c	Mar. 1	Feb. 15
South. Can. Pr.	20c	Feb. 15	Jan. 31
Shawinigan W.	23c	Feb. 25	Jan. 25
Siscoe Gold	2½c	Mar. 15	Feb. 15
Sullivan Cons.	3c	Mar. 15	Feb. 15
Sylvanite Gold	■7c	Mar. 31	Feb. 10
Sunset Oils	2c	Mar. 15	Mar. 5
Toburn Gold	3c	Feb. 22	Jan. 22
Do., extra	2c	Feb. 22	Jan. 22
United Fuel, A, p.	75c	Apr. 1	Mar. 20
Upper Can. Mines	3c	Feb. 28	Feb. 15
Union Gas	20c	Mar. 15	Feb. 20
United Corp., A	38c	Feb. 15	Jan. 31
Walker-Good.	$1	Mar. 15	Feb. 14
Do., pref.	25c	Mar. 15	Feb. 14
Wilsil *	25c	Apr. 1	Mar. 15
York Knitting	20c	Feb. 15	Feb. 10
Do., 1st pref.	$3.50	Feb. 15	Feb. 10
Do., 2nd pref.	$3.50	Feb. 15	Feb. 10
Yukon Cons. Gold	10c	Feb. 15	Jan. 22

†Payable in U. S. funds.

*Arrears eliminated after giving effect to this payment.

■Subject to approval of Foreign Exchange Control Board.

Mining Dividends

	Rate	Close Feb. 3	Yield %
Anglo-Huronian	‡10c	2.50	..
Beattie Gold	16c+2c	1.09	*16.5
Bralorne	80c+40c	9.90	*12.1
Broulan Porc.	‡6c	.88	..
Buffalo Ankerite	‡31c	4.15	..
Bulolo Gold	$3	18.00	16.6
Can. Malartic	8c	.52	..
Cariboo Gold	16c+8c	2.75	*8.7
Central Patricia	16c+7c	1.75	*13.1
Chesterville	†5c	1.40	..
Cochenour Willans	†3c	.76	..
Coniagas	‡25c	1.50	..
Coniaurum	16c+2c	1.42	*12.6
Cons. Smelters	$1+$1.25	36.00	*6.2
Delnite	‡6c	1.10	5.4
Dome Mines	$2	23.75	8.4
East Malartic	‡30c	2.61	11.4
Francoeur Gold	†3c	.44	..
God's Lake	‡2½c	.32	..
Goldale	‡2c	.14	..
Gold Belt	‡4c	.25¼	..
Gunnar Gold	‡6c	.35	..
Hallnor	60c	5.40	11.1
Hard Rock	‡10c	.88	..
Hedley Mascot	‡8c	.54	..
Hollinger	65c+45c	12.75	*8.7
Howey Gold	‡5c	.26	..
Hudson Bay	‡$2	25.00	8.0
Inter. Nickel, com.	$2	33.50	5.9
Island Mountain	‡15c	.85	..
Kerr Addison	‡15c	3.40	..
Kerr Lake	‡10c	.20	...
Kirkland Lake	10c+2c	.92	*13.0
Kootenay Belle	‡12c	.22	..
Lamaque Gold	40c+10c	4.85	*10.3
Lake Shore	$2	19.37	10.2
Leitch	8c	.49	16.3
Little Long Lac	30c	1.90	15.6
Macassa	32c+3c	3.85	*9.0
Madsen R. Lake	‡6c	.51	..
McGillivray Coal	3c+1c	.25	..
McKenzie Red L.	♦12c	1.14	10.2
McWatters	10c	.20	..
Moneta	12c	.48½	..
McIntyre Porc.	$2.05½+1■	47.00	*6.4
MacLeod-Cockshutt	‡20c	1.95	10.2
Naybob Gold	4c	.25	..
Nipissing	15c	1.06	..
Noranda	$4	54.00	7.4
North Empire	‡50c	5.00	..
O'Brien Gold	‡10c	.81	..
Pamour Porc.	12c	1.25	*9.6
Pato Cons.	20c	2.65	..
Paymaster	‡1c	.22¼	..
Perron Gold	16c+4c	1.46	*13.7
Pioneer, B.C.	40c	2.13	18.7
Pickle Crow	40c	2.65	15.0
Placer Develop.	$1.20	9.00	13.3
Premier	12c	.90	..
Preston E. Dome	20c+5c	2.90	*8.6
Privateer Mine	‡16c+2c	.54	..
Powell Rouyn	‡10c	.90	..
Quebec Gold	‡2c	.28	..
Relief Arlington	‡5c	.03	..
San Antonio	14c+6c	2.31	*8.6
Sheep Creek	16c+3c	.81	*23.4
Sherritt Gordon	‡10c	.75	..
Sigma Mines	‡45c	7.50	..
Silbak Premier	16c	.70	22.8
Siscoe	‡11½c	.57	..
Sturgeon River	‡2c	.19	..
Sudbury Basin	‡2½c	1.30	..
Sullivan Cons.	‡9c	.62	..
Surf Inlet	‡1½c	.11½	..
Sylvanite Gold	20c+10c	2.70	*11.1
Teck-Hughes	40c+5c	3.20	*14.0
Toburn	8c+12c	1.60	*12.5
Upper Canada	‡6c	1.52	..
Ventures	15c	3.30	..
Waite Amulet	‡10c	3.65	..
Wendigo	†3c	.21	..
Wright-Harg.	‡40c+30c	6.50	*10.8

*Yield including bonus. †Initial.

‡Paid in 1940.

■An extra dividend of $1.11 paid Jan. 2, 1941.

♦Plus 1 sh. McMarmac Red Lake Gold Mines for each 5 shs. McKenzie held.

DIVIDEND NOTICES

The Royal Bank of Canada

DIVIDEND NO. 214

NOTICE is hereby given that a dividend of two per cent (being at the rate of eight per cent per annum) upon the paid-up capital stock of this bank has been declared for the current quarter and will be payable at the bank and its branches on and after Saturday, the first day of March next, to shareholders of record at the close of business on the 31st day of January, 1941.

By order of the Board.

S. G. DOBSON,
General Manager.

Montreal, Que., January 14, 1941.

Banque Canadienne Nationale

Quarterly Dividend

NOTICE is hereby given that a dividend of two per cent (2%) (being at the rate of 8% per annum) has been declared by the Directors of the Banque Canadienne Nationale on the paid-up capital stock of the Bank for the quarter ending on the 28th day of February, 1941. This dividend, bearing the number 200, will be payable at the Main Office or at the branches of the Bank, on or after the first day of March, 1941, to the shareholders of record on February 15th.

By order of the Board,

CHARLES ST-PIERRE,
General Manager.

Lake St. John Power & Paper Company Limited

5% 25-Year Mortgage Debentures, Series "A"

NOTICE OF PAYMENT OF INTEREST

NOTICE IS HEREBY GIVEN that the interest for the period from and including the 1st day of January, 1940, up to and including the 31st day of December, 1940, on the 5% 25-Year Mortgage Debentures, Series "A" of the Company at the rate of Five per centum (5%) per annum, will be paid on the 1st day of April, 1941, and that the registers of such Debentures will be closed as and from the close of business on the 16th day of March, 1941, up to and including the 31st day of March, 1941.

GIVEN at the City of Montreal this 24th day of January, 1941.

By Orders of the Board of Directors.

CHARLES W. DAVISON,
Secretary-Treasurer.

Noranda Mines, Limited

DIVIDEND NOTICE

Notice is hereby given that an interim dividend of $1.00 per share, payable in Canadian funds, has been declared by the Directors of Noranda Mines, Limited, payable March 15th, 1941, to shareholders of record at the close of business February 20th, 1941.

By order of the Board.

J. R. BRADFIELD,
Secretary.

Toronto, January 31st, 1941.

Montreal Tramways Company

Annual General Meeting

NOTICE is hereby given that in accordance with the By-laws of the Company, the Annual General Meeting of the Shareholders of MONTREAL TRAMWAYS COMPANY will be held at the Company's Offices, Tramways Building, 159 Craig Street West, Montreal, P.Q., at 12 o'clock noon, on Thursday, the 24th day of April, 1941. This meeting will be held for the reception of the Annual Report, Election of Directors, and the transaction of such other business as may legally come before said meeting.

The Transfer Books will be closed from the 4th day of April, 1941, to the 23rd day of April, 1941, both days inclusive.

By order of the Board,

PATRICK DUBEE,
Secretary-Treasurer.

Montreal, January 27th, 1941.

Borden's

COMMON DIVIDEND
No. 124

An interim dividend of thirty cents (30¢) per share has been declared on the outstanding common stock of this Company, payable March 3, 1941, to stockholders of record at the close of business February 15, 1941. Checks will be mailed.

The Borden Company
E. L. NOETZEL, *Treasurer*

DIVIDEND NOTICE

Canadian General Electric Company, Limited

Notice is hereby given that a dividend of two dollars per share for the quarter ending March 31, 1941, has been declared on the Common Stock of the Company.

That the above dividend is payable on April 1, 1941, to shareholders of record at the close of business on March 15, 1941.

By Order of the Board.

W. H. NESBITT,
Secretary.

Toronto, January 30, 1941.

General Steel Wares Limited

DIVIDEND NOTICE

Notice is hereby given that a fixed cumulative dividend of $1.75 per share, being at the rate of 7% per annum in respect of the three months' period commencing on the 1st day of November, 1940, and ending on the 31st day of January, 1941, has been declared on the outstanding 45,000 shares of 7% Cumulative Participating Preferred Stock of a par value of $100.00 each of General Steel Wares Limited, payable on the 20th day of February, 1941, to shareholders of record at the close of business on the 10th day of February, 1941.

By Order of the Board,

FRANK S. BROPHY,
Secretary.

Montreal, January 31st, 1941.

We trade: Can. Gen. Investments, Legare 6's, Standard Clay 6's, Burns & Co. Securities, Monarch Life, C.I.L. "B" and Pref.

A.J. Pattison, Jr. & Co.
Established 1907
Royal Bank Bldg. EL. 5101 Toronto
THIRD FLOOR

DIVIDEND NOTICES

Hollinger Consolidated Gold Mines Limited

DIVIDEND NUMBER 341
EXTRA DIVIDEND NUMBER 69

A regular dividend of 1%, and an extra dividend of 1%, making 2% in all, have been declared by the Directors on the Capital Stock of the Company, payable on the 25th day of February, 1941, to shareholders of record at the close of business on the 11th day of February, 1941.

DATED the 4th day of February, 1941.

I. McIVOR,
Assistant-Treasurer.

SYLVANITE GOLD MINES LIMITED

(No Personal Liability)

TO SHAREHOLDERS AND HOLDERS OF SHARE WARRANTS

NOTICE OF DIVIDEND NO. 42

TAKE NOTICE that a regular quarterly Dividend of 7% (i.e. seven cents per share) on the outstanding Capital Stock of the Company, payable in Canadian funds, has been declared as Dividend No. 42.

Such Dividend will be payable March 31st, 1941, to Shareholders of record at the close of business February 10th, 1941.

In the case of Share Warrants such Dividend will be payable on or after March 31st, 1941, in respect of the shares specified therein, upon presentation and delivery of Coupon No. 42 at:

The Canadian Bank of Commerce, Toronto, or any Branch of said Bank in Canada (far Northern Branches excepted), or Liberty Bank of Buffalo, Buffalo, N.Y.

Payment of this Dividend is, under present conditions, subject to obtaining the approval of the Foreign Exchange Control Board.

By Order of the Board.

W. S. WALTON, Secretary.

TORONTO, February 3rd, 1941.

Hallnor Mines Limited

(No Personal Liability)

DIVIDEND NOTICE

Notice is hereby given that the interim dividend of 15c per share, payable in Canadian funds, has been declared by the Directors of Hallnor Mines, Limited (No Personal Liability), payable March 1st, 1941, to shareholders of record at the close of business February 15th, 1941.

By order of the Board.

J. R. BRADFIELD,
Secretary.

Toronto, Ont., January 31st, 1941.

BEATTIE GOLD MINES (Quebec) Limited

(No Personal Liability)
25 King Street West, Toronto
Dividend No. 13

NOTICE IS HEREBY GIVEN that a dividend of 4 cents per share has been declared by the Directors of Beattie Gold Mines (Quebec) Limited, payable in Canadian funds on March 15th, 1941, to shareholders of record March 1st, 1941.

By Order of the Board.

H. WHITTINGHAM,
Secretary-Treasurer.

January 31st, 1941.

Lake of the Woods Milling Company Limited

DIVIDEND NOTICE

NOTICE IS HEREBY GIVEN that a dividend of 1¾% has been declared on the Preferred shares of the Company, payable on March 1st, 1941, to shareholders of record at the close of business on February 15th, 1941.

By Order of the Board,

D. A. McINNES,
Secretary.

Montreal, Jan. 30th, 1941.

YORK KNITTING MILLS, LIMITED

DIVIDEND NOTICES

Notice is hereby given that a dividend of 3½% has been declared on the First Preference Stock of the Company for the six months ended December 31st, 1940, payable February 15th, 1941, to shareholders of record at the close of business on February 10th, 1941.

Notice is hereby given that a dividend of 3½% has been declared on the Second Preference Stock of the Company for the six months ended December 31st, 1940, payable February 15th, 1941, to shareholders of record at the close of business on February 10th, 1941.

Notice is hereby given that a dividend of 20c per share has been declared on the Common Stock of the Company for the six month ended December 31st, 1940, payable February 15th, 1941, to shareholders of record at the close of business on February 10th, 1941.

By Order of the Board,

WM. A. CLARKE,
Secretary.

Toronto,
January 31st, 1941.

NOTICE OF MEETING

Lake St. John Power and Paper Company, Limited

NOTICE OF ANNUAL GENERAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN that the Annual General Meeting of the Shareholders of the above Company will be held at the Office of the Company, Room 820 Sun Life Building, Montreal, Que., on Monday, 17th February, 1941, at the hour of 12 o'clock noon, for the following purposes, that is to say:

1. To receive, consider and if deemed fit, approve the Balance Sheet, General Statement of Income and Expenditure, Statement of Surplus, Report of the Auditors and Report of the Directors of the Company for the fiscal period ended 31st December, 1940;
2. To consider and if deemed fit, to sanction, approve, ratify and confirm each and all of the acts, transactions and proceedings of the Directors and Officers of the Company since the last Annual Meeting of Shareholders;
3. To elect Directors;
4. To appoint auditors and to fix or to authorize the Board of Directors to fix their remuneration;
5. To transact such other business as may properly come before the Meeting.

If you are unable to attend the Meeting please complete and return the form of instrument of proxy.

By Order of the Board,

C. W. DAVISON,
Secretary.

Montreal, Que., 3rd February, 1941.

Will Refuse Wheat Demand

See Little Hope of $1 Minimum — Huge Costs Mounting

From Our Own Correspondent

OTTAWA. — Representatives of prairie wheat farmers are demanding a price of $1 per bushel from the public treasury for their 1941 crop. But Ottawa opinion says the demand will be turned down. Millions of taxpayers money are already being consumed to maintain the current minimum price of 70 cents.

As there will only be storage facilities for some 250 million bushels of the 1941 crop, the Government would not have to find the funds to finance the whole of it at once. But presumably the $1 per bushel price would apply on all of the crop and would be paid as quickly as elevator space is available to receive it.

Costs $385 Millions

The huge 1940 crop on which the guaranteed price is 70 cents will cost the treasury of Canada some $385 millions. Against that outlay will be credited payments received for the sale of the wheat. Today, Britain is the only real export market left and while the price Britain is paying has never been made public, the understanding here is that it works back to about 70 cents Fort William.

But this gives no leeway whatsoever for storage charges. Britain cannot eat up our present wheat stocks for three years or more. In fact there are still upward of 100 million bushels of the 1939 crop unsold in Canada.

Three-Year Storage

If the war continues it will be three years before the 1940 crop is sold and meantime storage charges at the rate of nine cents per bushel per year must be paid by the Dominion Government. That means that 1940 wheat will cost the taxpayers about $1 per bushel before the books are closed and some 30 cents per bushel will be clear loss.

Farm representatives from the West urge the dollar price on grounds of "parity" prices. They demand parallel treatment to the Government's 1926-29 ceiling on wages. They cite the minimum price on butter.

Demand Embarrassing

The political power of the prairie farmers makes this demand highly embarrassing to the Government, but it will certainly be turned down. So far as can be learned no ministers support the demand, but there is support in the Cabinet for a compromise policy which would give farmers a 1941 price of about 85 cents. The ministerial support for such a compromise, however, is confined to a very small minority.

An announcement of government policy on wheat is expected early in the session.

Grain Insurance Co. Surplus is Higher

Gross underwriting profit of the Grain Insurance & Guarantee Co. of Winnipeg for 1940 was $44,000 higher than in the previous year. After deduction of expenses and addition of investment income, total net income was $54,000 higher.

Total assets at $2.9 millions were about the same as in the previous year. Surplus was almost 20% higher.

Important items in the statement follow:

	1940 $	1939 $
Gross underwr. inc.	446,567	402,449
Less expenses	92,472	97,723
Invest. inc. net	103,262	99,061
Net inc.	465,608	411,730
Total assets	2,944,080	2,944,285
Cash	179,476	520,307
Call loan	350,000	......
Invest.	2,274,853	2,161,797
Mortgages	107,100	140,000
Surplus	848,188	709,890

Dom. of Canada General Assets Reported Higher

Assets of the Dominion of Canada General Insurance Co. increased almost 6% in 1940 according to the annual report for the year ended Dec. 31. Market value of investments at Dec. 31 exceeded the book value by $116,813. After adding $31,500 to investment reserve and providing $50,000 for Dominion income and excess profits taxes, surplus account was $36,321 higher at $1 million. This with paid-up capital of $1 million gives surplus security to policyholders of $2 millions.

In the absence of President G. H. Gooderham, Lt.-Col. A. E. Gooderham, vice-president presided. The company writes fire, casualty and life insurance.

H. W. Falconer, managing director, noted an increase of $1 million in business in force in the life department, while the position was also improved in the fire and casualty departments in all territories.

A dividend of 6% and a bonus of 3% was paid to shareholders in January.

	1940 $	1939 $
Total assets	5,618,742	5,337,855
Surplus	1,006,576	970,254
Capital	1,005,300	1,005,300
Pol'holders surplus	2,011,876	1,975,554
Life ins. in force	15,185,774	14,108,532

DIVIDEND NOTICES

Anglo-Canadian Telephone Company

CLASS A DIVIDEND NOTICE

NOTICE is hereby given that a dividend of one and one-half per cent (1½%) has been declared on the Class A Stock of the Company payable March 1, 1941 to Stockholders of record at the close of business on February 15, 1941.

By Order of the Board.

GEOFFREY PURDY,
Secretary.

Montreal, P.Q., February 7, 1941.

"CANADA DRY"

Dividend Notice

At the meeting of the Board of Directors of Canada Dry Ginger Ale, Incorporated, a Delaware Corporation, held January 28, 1941, a dividend of fifteen cents (15¢) per share was declared, payable March 24, 1941, to stockholders of record at the close of business, March 10, 1941.

W. J. WILLIAMS, *Secretary*

Week in Wheat

Visible Drops Further As Deliveries Shrink

Exports to Spain Relieve Congestion — Strong Demand for Low Grade Wheat — Uncertainty Over Subsidized Feed Movement

From Our Own Correspondent

WINNIPEG.—The figures for the Canadian wheat visible showed a decrease of approximately 2 million bushels last week, instead of continuing their climb toward the 500 million bushel level. On one hand this was due to the fact that new deliveries of wheat by farmers have lately been comparatively small, about half a million bushels per day at all western country elevators. Other exports were increased by shipment of Canadian wheat from eastern U. S. Atlantic ports to Spain.

Country deliveries at many points are kept down by quota regulations or by lack of space. At others unfavorable road conditions have interfered with farm deliveries. In addition a certain percentage of farmers are delaying deliveries in order to earn the fee for farm storage allowed by the Canadian Wheat Board.

Exports to Spain

There continue to be frequent reports of negotiations for large sales of Argentine wheat to be delivered to Spain. Presumably Spain could get supplies at a low price and on extended credit terms, but it seems doubtful if many ships can be spared for the long voyage to the southern hemisphere. Continued purchases of Canadian wheat for Spain, to the extent permitted by Spanish negotiations with the British Government, seem more likely.

At the beginning of the winter such reports as came out of continental Europe seemed to indicate that winter wheat crops were in good condition with average acreage. Recent reports, however, suggest unfavorable weather. The Hungarian crop has been hard hit by flood. This will impair German prospects of getting a good supply of grain from southeastern Europe.

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Japs Get Wheat

Some limited supplies of wheat have gone from Vancouver to China recently and enquiries for further quantities are reported. To what extent these are actually for Chinese use and not for diversion to Japan, where food supplies are understood to be low, is a matter of discussion.

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Low Grade for Feed

Demand for low-grade wheat continues. This comes from Canadian mills and those in the United States, where, if of feed quality, it enters at a reduced rate of duty. In order to facilitate this movement the Wheat Board has permitted farmers to deliver specified low grades in excess of the quantities allowed under quota regulations. The railways have also been requested to allot cars for movement of such wheat from country elevators.

The wheat in question does not add to the terminal elevator congestion at the head of the lakes, it may be shipped directly from point of origin to destination, or may pass through the lakehead terminals for cleaning purposes. A third step, with the same object, is to offer to sell Board wheat of such grades to country elevator operators, to facilitate making up of carload shipments.

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Chicago Weakness

In the Chicago market weakness in wheat has been developing on account of what appears to be excellent prospects for the winter wheat crop. This got away to a good start and is well supported by moisture reserves.

Some observers hint at danger of severe rust, but this rarely affects winter wheat seriously. However, the period for extensive winter killing still lies ahead.

Cash wheat at Chicago still commands a substantial premium over new crop futures. To get current supplies millers have to bid enough over Government loan values to persuade farmers to part with their wheat. The situation, however, does not encourage farmers to hold for much over loan values.

Storage Deal Up To Ottawa

Elevator Companies Will Expand Space if Rates Guaranteed

From Our Own Correspondent

OTTAWA.—Except for technical details, the Dominion Government has completed the wheat storage policy for the current year.

The policy has been calculated on normal exports of wheat under war conditions and the building of sufficient temporary storage capacity at the head of the lakes to enable a given quantity of the 1941 crop to be marketed. This quantity will be approximately 250 million bushels and to achieve this total temporary storage for 50 million bushels will have to be built.

Officials of the elevator companies, and the Wheat Board, were in Ottawa last week discussing the details of this construction programme. Final decision now rests with the Government.

The additional storage will be built at a minimum of expense. The estimate is for $4 millions. Involved in it are questions of storage charges. Obviously if the companies extend their elevators they will require assistance of minimum storage rates. Alternatively, the Government might retain a free hand on charges if Ottawa builds the additional storage. After canvassing the situation, the final decision was left with the Government, but the probability is that the companies will be authorized to proceed under a guaranteed minimum storage schedule for three years. The new construction will be so inexpensive that the capital cost can be liquidated in this period.

Commodities

Price Changes Mostly Small

Rumored Rise in Freights Affects Rubber — Coffee Crop Reduced

While war needs continue to absorb large quantities of various commodities price trends continue uncertain, with changes small. Belief that government controls will prevent sharp advances continues to be a factor.

In the industrial group rubber, silk, cotton and coffee were slightly higher, hides slightly lower.

Rubber quotations were affected by reports that a general increase in freight rates from the Far East was being contemplated. It was rumored that the rate from Singapore to the United States would be raised 25%, effective March 1. This was computed as meaning an advance of one quarter of a cent a pound on rubber shipments.

There was little change in the silk or cotton situation, fractional gains evidently reflecting trade buying of both commodities. New controls by the Japanese Government over the silk industry are expected and the trade is awaiting information as to what these will be.

An easier tone in hides reflected a drop in the Argentine markets where large quantities had been sold at lower prices. Stocks in Canada on Dec. 1 were higher than the year before. Heavy demand for beef in Canada and the United States has put more hides on the market.

The advance in coffee was small. An expected rise in Colombian minimum prices failed to develop while private reports from Brazil indicated a drop of 25% in the Sao Paulo crop. This would more than offset the loss to Brazil of the European market.

Canadian cattle markets were depressed by lower prices and decreased demand in the United States. Hog values were higher. According to a survey by the Dominion Bureau of Statistics, the number of hogs on Canadian farms on Dec. 1 was the highest on record and 28% more than on Dec. 1, 1939. An increase of 2% is expected in the 1941 spring pig crop.

	Latest week	Previous week	Same week last yr.
Cattle	$9.50	$10.25	$7.50
Hogs	11.50	11.40	12.00
Copper, lb.	.12	.12	.11⅝
Cotton, lb.	.1090	.1089	.1101
Rubber, lb.	.1975	.1950	.1883
Silk, lb.	2.56	2.55½	3.25½
Sugar, raw, lb.	.0295	.0295	.0280
Wheat, Man. (bu.)	.74⅜	.74¼	.80⅞
Coffee, lb.	.05⅜	.05¼	.05⅝
Hides	.12¾	.13¼	.13
Weekly Indices			
Canada (D.B.S.)	84.8	84.6	82.5
Do., Wood, Gundy	67.5	67.1	68.6
U. S. Labor	80.8	80.6	79.1
Dow Jones (future)	55.70	56.55	58.26
Fishers'	86.1	86.1	84.7
Monthly Indices			
Canada (D.B.S.):			
Retail (Dec.)*	108.0	107.8	103.8
W'sale (Dec.)	84.2	84.0	81.7
U. S. (Oct.)	78.7	78.0	79.4

Note:—The base of indices is that 1926 equals 100. *Base 1935-39= 100.

Base of price quotations is as follows: Cattle — Steers, good, over 1,050 lb., top price, Toronto. Copper-electrolytic, New York. Silk—Crack db., 13-15 New York. Sugar — 96 degrees centrifugal c/f New York. Wheat—No. 1 Man. North., Ft. W.-Pt. A. basis. Hides—No. 1 packer light.

Wheat Prices

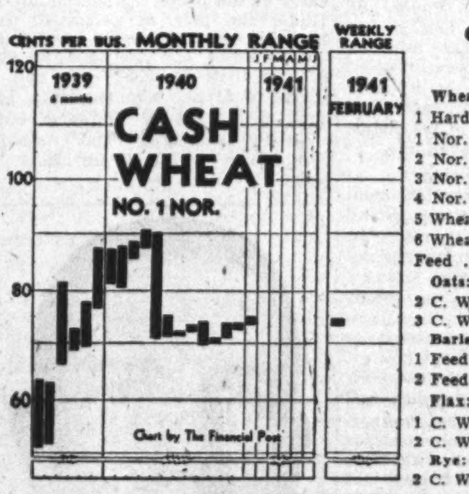

Chart by The Financial Post

Cash Quotations

	For Week Feb. 3 High	For Week Feb. 3 Low	Prev. Week High	Prev. Week Low
Wheat:				
1 Hard	.74⅜	.73⅞	.74⅜	.73¾
1 Nor.	.74⅜	.73⅞	.74⅜	.73¾
2 Nor.	.71¾	.71⅛	.71¾	.71⅛
3 Nor.	.68¾	.68⅛	.68⅝	.68¾
4 Nor.	.66½	.65¾	.66⅛	.65¾
5 Wheat	.64	.63½	.64⅛	.63¾
6 Wheat	.63½	.63	.63⅜	.63¼
Feed	.61½	.61	.61⅜	.61¼
Oats:				
2 C. W.	.33⅞	.32¾	.34⅛	.33
3 C. W.	.32⅛	.31	.32⅝	.31½
Barley:				
1 Feed	.43⅝	.42⅞	.44	.42⅝
2 Feed	.42⅞	.42⅛	.43¼	.41⅞
Flax:				
1 C. W.	1.56¾	1.47⅞	1.59	1.53¾
2 C. W.	1.52½	1.44⅝	1.55¾	1.50½
Rye:				
2 C. W.	.46¾	.45¾	.47¼	.46

Winnipeg Grain Futures

Week to Feb. 3, 1941

Crop year from Aug. 1, 1940 High	Low		Open Jan. 28	High for week	Low for week	Close Feb. 3	Close year ago
		Wheat					
.78¾	.74⅝	May	.77	.77⅛	.76¼	.77	.84⅝
.80½	.77½	July	.78¾	.78¾	.78	.78⅝	.85
		Oats					
.35⅞	.26⅝	May	.33⅝	.35⅝	.34⅛	.34¼	.40¾
.33⅞	.29½	July	.33½	.33⅝	.32⅝	.32⅝	.38⅝
.32	.30¾	Oct.	.31⅝	.31⅝	.30⅝	.30⅞	.34¼
		Barley					
.46⅞	.33⅝	May	.46	.46	.44¾	.45	.53
.44⅞	.39⅞	July	.43½	.43½	.42⅛	.42⅜	.51½
		Flax					
1.63¼	1.16	May	1.60	1.60	1.48¾	1.50½	1.93⅞
1.62	1.29½	July	1.56½	1.57½	1.47¼	1.48⅝	1.91
1.58¼	1.45	Oct.	1.54¼	1.54¼	1.45	1.45	1.85¾
		Rye					
.52	.44¼	May	.49⅝	.49⅝	.47⅝	.48¼	.74
.51⅝	.47⅞	July	.49⅝	.49⅝	.47⅞	.48¾	.72⅝

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J. S. Mitchell, and Co. Boosts Dividend

From Our Own Correspondent

MONTREAL.—J. S. Mitchell & Co. has declared a dividend of $2.50 a share on the common stock payable March 1 to shareholders of record Feb. 14. The previous payment was $2 a share, made on March 1 last year.

Initial dividend of $1 a share was made on the stock in 1931. Further $1 payments were made the same year and in 1935 and 1936. The $2 rate was established in 1937 and paid yearly since that time.

Montreal Stock Trade Shows Upward Trend

From Our Own Correspondent

MONTREAL. — Industrial and mining share turnover on the Montreal Stock Exchange and the Montreal Curb Market during January showed an upward trend. Compared with January last year, however, volume recorded a sizeable reduction.

Trading in industrial stocks accounted for 215,767 shares in January, compared with 195,286 in December and 509,402 shares in Jan., 1940. Mining volume amounted to 320,639 shares in January this year, against 281,970 shares in December and 1.3 million shares in Jan., 1940.

Total turnover in January on the Montreal Stock Exchange and Montreal Curb Market was 536,406 shares, compared with 477,256 shares in December and 1.8 million shares in Jan., 1940.

Montreal Dry Docks Completes New Plant

From Our Own Correspondent

MONTREAL. — Montreal Dry Docks Ltd., wholly owned subsidiary of Canadian Vickers Ltd., has completed its new plate shop, of steel and brick construction. This replaces the wooden shop destroyed by fire last December.

The company reports that its plant has carried on at practically maximum capacity despite working in the open air during the rebuilding.

Algoma Steel Cancels 500 Preference Shares

Algoma Steel Corp. has advised the Toronto Stock Exchange that certificates for 500 preference shares, previously redeemed, have been cancelled. This reduces number of outstanding preferred shares to 21,515. There were originally 26,390 shares of this 5% preference issued.

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Back Peace Deal At Any Cost

(Continued from page 11)

contained the articles with such suggestive titles as:

American Foreign Policy—Henry Ford.

The William Allen White Reign of Terror—George H. Cless.

They Want to Starve Europe—Douglas Borgshedt.

A Plea for American Independence—Charles Lindbergh.

War or Peace, America's Decision—General Wood.

How It Started

In a recent appraisal of the Commentator in the New York newspaper PM, Eggleston was identified as the former editor of the original Life until it was converted into a news-picture magazine. Mr. Stewart is identified as an investment counsellor with offices in the same building as houses the Commentator, and who once before ventured into the publishing field with "Listeners' Digest."

PM adds:

"In the fall of 1939 Mr. Payson was publishing The Commentator, a pocket-size monthly of general interest, as a sideline to his other interests, which included steel and sugar refining . . .

"The Commentator had been going nearly four years when Scribner's, one of America's oldest literary magazines, folded. Mr. Payson bought the title and subscription list and combined the two names."

Belief of Sponsors

The report quotes the sponsors of the present magazine as denying they favor appeasement or expect Hitler to win, declaring themselves in favor of strong U. S. national defense and isolation from Europe's troubles. Asked who he wants to see win this war, Eggleston is quoted as saying:

"On the basis of pure sentiment, I suppose England. But so far as the interests of this country are concerned, we can't see how a great victory for either side would help."

To which Mr. Stewart added: "I would far rather see a stalemate . . . I wish Europe could be cut off from us for 10 years by a stone wall. It's absurd to argue we couldn't stand the loss of our foreign markets. Our exports have never been more than 10%."

Pulp and Paper Industry

Newsprint Views Show Conflict

Optimistic Analyses Are Discounted By Basic Facts

From Our Own Correspondent

MONTREAL. — Abitibi Power & Paper Co. is one of the three largest newsprint companies in the country. Its past record and present position are more or less typical of the problems which have faced the industry as a whole.

During last few weeks the present position and future prospects of the newsprint industry have been extensively reviewed, by leaders of the industry and others, in the hearings before the Ontario Royal Commission which has been enquiring into affairs of Abitibi.

These reviews and opinions are of considerable interest to a large body of Canadian taxpayers, businessmen and security holders who have, for 10 long years, been paying for past errors of judgment in newsprint affairs and have a large stake in the future of the industry.

Overoptimistic Views

Some of views expressed before the Abitibi Royal Commission betrayed the same overoptimism which has been so expensive in the past and which is the root reason for Abitibi's present difficulty.

Here are some of the statements made by responsible individuals to the Commission:

> "The story of the Canadian newsprint industry over the past 24 years demonstrates the inherent soundness of the industry."
>
> "The present competitive situation as it affects . . . the industry generally justifies confidence in the future prosperity of the newsprint business."
>
> "At no time in the last 24 years has Scandinavian competition been a source of embarrassment to Canadian newsprint producers. The facts are that the natural markets for Scandinavian paper are in Europe and Great Britain just as the most natural market for Canadian newsprint is in the United States."
>
> "Consumption has now approached so close to productive capacity that there is no pressure to cut prices, as all companies with sound mills and reasonably satisfactory management can operate at comfortable profits."

These views tend to give the definite impression that the past mistakes have been completely rectified, the present difficulties are nonexistent and that the future holds no serious dangers to the industry.

These views are not shared by all. The evidence of G. T. Clarkson, receiver and manager of the Abitibi Company during the last 10 years, before the same Commission, gives a quite different impression. Contrary to there being "inherent soundness," "no pressure to cut prices,' "future prosperity," etc., Mr. Clarkson draws attention to the present unsatisfactory position of the industry due to infraction of prorating rules and emphasizes the need for conserving cash resources against the difficulties of the future.

Similarly the annual review of the industry by Charles Vining, president of the Newsprint Association of Canada, holds out a word of caution as to the present and doubt as to the future. He, like Mr. Clarkson, stresses the abnormality of some of the industry's advantages and is frankly concerned over what will happen after the war.

Real Problem Ahead

Which of these conflicting views is correct? Facts and official figures warrant some restraint in optimism over the industry's outlook.

In 1940, the Canadian mills, with everything in their favor, operated at less than 80% of capacity and had nearly 1,000,000 tons of idle capacity. The operating percentage of the prorated mills in Ontario and Quebec, which constitute the bulk of the industry, was no higher than 72%.

This rate of operations was achieved for the sole reason that Canada's Scandinavian competitors were prevented from shipping about 700,000 tons to competitive markets in 1940. It is common knowledge that the Scandinavian mills have been practically untouched by the war to date and would be able to sell their 700,000 tons per annum the very minute that shipping facilities are restored to anything like normalcy .

Threat to Stability

If these 700,000 tons of potential shipments were released from Scandinavia, the Canadian total of shipments would shrink correspondingly since Scandinavian sales have almost always sold at price differentials below the Canadian quotations and the operating ratio of the prorated mills would fall immediately from about 72% in 1940 to something like 50 to 55% of capacity. Even if present prices held, the shrinkage of earnings would be on a large scale. Yet it was said before the Abitibi Commission that "consumption has now approached so close to productive capacity that there is no pressure to cut prices."

It is also difficult to see how anyone can say: "At no time . . . has Scandinavian competition been a source of embarrassment . . . the natural markets for Scandinavian paper are in Europe and Great Britain, just as the most natural market for Canadian newsprint is in the United States."

Facts to Face

The facts are that Scandinavian capacity has increased from about 700,000 tons per annum in 1930 to about 1,200,000 tons in 1940; their total exports have risen from 600,000 tons in 1930 to 850,000 tons in 1939 (without the war they would have been closer to 1 million tons); and that nearly all this increase has been at the expense of the Canadian mills.

Europe and Great Britain may be the "natural" markets for the Scandinavians, but the Scandinavians themselves do not seem to know it. At any rate in 1939 only 30% of their total exports went to Europe and Great Britain while the remainder was sold in the United States, Latin America and Asia, in direct competition with Canada.

Real Competitors

The increases in Scandinavian shipments during the last 10 years, moreover, have been exclusively in non-European markets. In 1939 they shipped 500,000 tons or 60% of their total exports to the western hemisphere alone in spite of the fact that this is said to be Canada's "natural" market. In this same year they supplied 12% of total imports of newsprint into the United States and over 75% of total imports into Latin America.

Members of the Canadian industry have often stated that all this tonnage is sold on differentials below whatever the Canadian price may be and consequently it is almost impossible to meet this sort of competition.

After the present war it will be surprising if the Scandinavians are not just as hungry for volume at Canada's expense and just as willing to obtain this volume through drastic concessions in price.

Other Factors

There is another factor in the industry's present situation. Since the war started in Sept., 1939, Canadian mills have been receiving a 10% premium on United States currency which is the currency of sale for over 80% of Canadian shipments. This bonus accrues directly to net earnings and accounts for a substantial part of total earnings. For instance in 1940 Abitibi itself reported earnings before depreciation, interest charges and taxes of $7.8 millions of which $1.5 million, or nearly 20%, accrued from the premium on New York funds. It is too much to expect that this bonus is a permanent state of affairs which the Canadian mills can look forward to indefinitely in the future.

On the contrary it is likely to disappear after the war at the same time that the industry is losing 700,000 tons of its present volume to the Scandinavians and operating at such a low rate that there will be considerable pressure on the price structure.

A.N.P.A. Expects Newsprint Gain

From Our Own Correspondent

MONTREAL. — An increase of 3.6% in consumption of newsprint paper in the United States in 1941, over 1940, is indicated in preliminary returns received by the American Newspaper Publishers Association. On the basis of 844 questionnaires returned, representing 1,869,761 tons in 1940 consumption, the estimate of these papers for 1941 is 1,937,403 tons.

Consumption of 3,709,028 tons in 1940 was up 4.6% over 1939, and 7.6% over 1938.

Pulp and Paper Value Stressed

President of C.P.&P.A. Reviews Industry's Position—Warning Given

From Our Own Correspondent

MONTREAL. — Newsprint, with the single exception of gold, is Canada's most important single commodity in export value, it was emphasized by F. G. Robinson, vice-president of Canadian International Paper Co. and re-elected president of Canadian Pulp & Paper Association, in his annual address to members of the association.

"The major contribution of newsprint to sustain a free press as an essential weapon of democracy, is not to be overlooked," Mr. Robinson added. "It affects almost every home and every family, certainly in the North American democracies and to a somewhat smaller but still highly important degree, the populations of South America and other far-flung democracies, supplied with authentic news printed on Canadian newsprint paper."

In his address Mr. Robinson also touched upon the new agreement governing the administration of the Canadian Pulp & Paper Research Institute of Canada and referred to contribution of 3.500 felt blankets by the industry to the Canadian Red Cross.

Effect of War

War conditions, said Mr. Robinson, have pressed upon the book and writing paper branch of the paper industry heavy demands for fine papers by the United Kingdom and other countries, which previously had relied upon European sources of supply. These demands, he said, to a large extent have been met without neglecting the needs of Canadian users.

Total output of all kinds of paper and pulp during 1940 amounted to some 9 million tons, Mr. Robinson announced, an increase of about 1 million tons over 1939. Paper and pulp exports last year had an aggregate value of some $225 millions. He announced that it was probable the figure of 17% of Canada's total exports, which pulp and paper made up, would be exceeded in 1941 when complete figures were available.

Holds Out Warning

Stiff and perhaps destructive competition will be facing the pulp and paper industry after the war, Mr. Robinson said. During the present period of high productive activity, he continued, there exists an opportunity to put the industry in a position less assailable when this competition had to be faced.

"The virulence of this competition," he added, "has heretofore had its roots in wage levels not compatible with North American standards of living and government subsidies, direct and indirect, which have not been sought by the industry in Canada. There is no reason to believe that these conditions will not be aggravated rather than alleviated when the war ends. Let us face this fact now and deal with it before it is too late."

Re-elected President

In re-electing Mr. Robinson president of the association for 1941, the following executive committee was appointed: W. S. Kidd, the E. B. Eddy Co.; E. M. Little, Anglo-Canadian Pulp & Paper Mills and Gaspesia Sulphite Co.; P. H. Scowen, Brompton Pulp & Paper Co.; E. Howard Smith of Howard Smith Paper Mills; W. H. Smith, Abitibi Power & Paper Co., and J. Pierre Rolland, of Rolland Paper Co.

Shortage of Ships Hits Paper Export

Problem Forces B. C. Industry to Pass Up Possible Markets

From Our Own Correspondent

VANCOUVER.—Shortage of shipping is again a problem for British Columbia pulp and paper exporters. They find it increasingly difficult to get tonnage when they want it, with the added handicap of never knowing in advance when it will be available.

While United States bottoms have maintained a fairly steady supply of space for the Orient, shipping to Australia is likely to suffer the withdrawal of some of the liner space hitherto dependable. Slower freighters may take the bulk of the trade in the near future.

Trade commissioners of the Canadian Government report good prospects of selling B. C. newsprint in India at this time. But Vancouver exporters hesitate to develop that market because of the obviously temporary nature of the business. They have their hands full with domestic demand.

British Columbia mills have been passing up the South American markets for the same reason, although at one time Powell River Co. had a healthy stake in the east coast South American business, making regular shipments to the Argentine. This was discontinued some years ago, however.

Pacific Mills Ltd., reports doing a fair volume of business in kraft paper with South Africa as well as South America.

Gair Recapitalization Plan Advances

Proposed recapitalization for Robert Gair Co., New York, was declared fair in a chancery court order signed Jan. 22 at Wilmington, Del.

To become operative the plan must be approved three fourths in value of the preferred shareholders. Under the plan as proposed, the company would issue $10 in 40-year income notes, one new share of 6% preferred stock of $20 par and 3 shares of $1 par common stock for each of the 186,392 shares of outstanding preferred and unpaid cumulative dividends of $9.75 a share.

PULP AND PAPER HEAD

Fred G. Robinson, vice-president of Canadian International Paper Co., who has been re-elected president of the Canadian Pulp and Paper Association.

Bowater's Net Lower in 1940

No Dividend Paid on Preference But Reserves Are Increased

From Our Own Correspondent

MONTREAL. — Bowater's Paper Mills Ltd. reports a profit of £202,604 for the year to Sept. 30, 1940. This compares with a profit of £224,706 in the previous 12 months. After deduction of directors' fees to March 31, debenture interest and depreciation, there was a surplus of £123,964, to which was added £48,742 from previous surplus, making £172,706.

No dividends were recommended on the preference stocks. However, it is proposed to add £130,000 to the dividend reserve, bringing this reserve up to £200,000, an amount which is more than sufficient to cover the cumulative dividends accrued to date. There is then a balance of £42,742 to go forward.

Mills Hit by Enemy

The company's English mills ceased the manufacture of paper in June, last. Such raw material as then remained was transferred to associated mills, activities being confined to the fulfilment of certain Government contracts. Subsequent to the cessation of paper manufacture the company's mills suffered extensive damage by enemy action in respect of which claims have been lodged with the proper authorities.

The Corner Brook mill of Bowater's Newfoundland, which Bowater's Paper controls, is working at full capacity. It is anticipated that earnings of that company for 1940 will be satisfactory.

Interest to Be Paid By Lake St. John

From Our Own Correspondent

MONTREAL. — Lake St. John Power and Paper Co. has authorized payment of interest on its 5% mortgage debentures, payable April 1 for the year 1940. With this payment interest, which is on an income basis, will be brought up to date.

Directors have accordingly declared a dividend of 6% on the 6% non-cumulative preferred stock of Lake St. John, payable May 1. This action was made possible by the clearing up of interest on the debentures.

All the preferred stock of Lake St. John is held by St. Lawrence Paper Mills Co. No dividends have been paid on the stock since 6% was disbursed in 1937. There are 18,000 shares of $100 par value, making payment to St. Lawrence Paper Mills $108,000.

Pitwood Exports Outlines Policy

Consider It Unlikely Britain Will Place Any Further Contracts

From Our Own Correspondent

MONTREAL.—It is unlikely that further contracts for pitprops will be placed for 1941, according to a statement issued by Pitwood Export Ltd., Moncton, N.B., which handles pitprops in the Maritimes for the British Timber Control. Operators are accordingly advised, says the Maritime Lumber Bureau, only to produce against an order for definite specifications from one of those holding a contract from the Controller.

The statement by Pitwood Export Ltd. attributes the smaller purchases for shipment during 1941 to the necessity of conserving ships, space and to the effort on that account to produce more pitprops in the United Kingdom.

Concerning contracts already made by the Controller for 1941, Pitwood Export reports that certain shippers have been asked to reduce slightly the quantity purchased, but that no commitments had been arbitrarily cancelled.

Rayon Output Reaches Record

Axis Boosts Production to Substitute for Cotton and Wool

From Our Own Correspondent

MONTREAL.—Total world production of rayon in 1940 reached an all-time high of 2,500 million lb., according to Rayon Organon. This is approximately 250 million lb. above the figure for 1939.

Production of rayon stable fibre exceeded filament yarn for the first time in the history of the industry the trade journal states. This was due principally to a large increase in output of the German staple fibre industry, while Italian production was also expanded. Japanese remained at about 1939 levels.

Ersatz Search Brings Boost

The Axis powers stimulated production of rayon in the search for cotton and wool substitutes.

United States output totalled a record 471.2 million lb. Production for 1939 totalled 379.9 million lb. It maintained its position as leading yarn-producing country, contributing 34% of the world total.

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WHEN IT IS DARK ENOUGH
. . . you can see the stars

Speaking at the last Annual General Meeting of the Western Ontario Division of the Industrial Accident Prevention Association, Dr. Arthur H. Secord, of the University of Michigan, said that Charles A. Beard, whom he described as "the greatest living American historian," had once been asked whether he could sum up in a few words all the lessons of history. The reply was that it would be quite possible to take all the teachings of the history of the world and combine those in the four short sentences which follow:

"Whom the gods would destroy they first make mad with power."
"The mills of God grind slowly, yet they grind exceeding small."
"The bee fertilizes the flower it robs."
"When it is dark enough you can see the stars."

The printed word has been a profound influence in shaping history, for the invention and growth of printing has meant much to world progress.

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CANADA PERMANENT

Mortgage Corporation

Economic Life of Canada Reviewed

President Points Out that Ordinary Rules of Business Forecasting Do Not Now Apply — Says Rising Indices Offset by War Needs — Urges Rigid Economy Both as Public and Private Virtue — Joint General Manager Notes Improvement in Mortgage Payments — Agrees Mortgage Loan Needs Must Give Way to War Demands for Available Money — Sees Greater Real Estate Activity — Asserts Adequate Supply of Houses for Rental a Surer Way of Preventing Rental Inflation than General Rental Control — Discusses Wheat Problem and Western Economy.

PRESIDENT'S ADDRESS

Addressing the Annual General Meeting of the Shareholders of the Canada Permanent Mortgage Corporation, held at the Head Office of the Corporation in Toronto on January 30th, Mr. F. Gordon Osler said in part:

It is not my intention to discuss at any length the statement to which you have just listened, or to enter into any exhaustive or detailed review of conditions in Canada during the past year. The war has been, and will continue to be, the dominating factor in our business and national life. Expenditures for war purposes have been large, and will be larger. The ordinary process of forecasting the immediate future from the immediate past no longer applies. It is not, and for some time will not be, "business or usual, or even life as usual."

On the one hand you have a picture of greater activity in almost every department of business—in mining and mineral production, in manufacturing, in construction, in railway operations, in mercantile concerns, both wholesale and retail. Unemployment figures were the lowest on record, and the physical volume of business rose from an average index figure of 124 at the end of 1939 to an average in 1940 of 145. The wheat crop was the second largest in our history, and the income from agriculture approximately $14,000,000 greater than in the previous year, and the highest since 1929. The total volume of our foreign trade showed an increase of approximately 37 per cent.

Rigid Economy Needed

Transitions of this kind are not effected without some dislocations and disturbances. There is another column in the ledger sheet and it contains such items as these—the loss or partial loss, temporarily perhaps, of foreign markets, large purchases abroad to meet the extraordinary demands of the war with a consequent shifting of trade balances, and the need for stringent regulations governing foreign exchange and business generally, rising taxation and heavy borrowings to bridge the gap between normal revenues and abnormal expenditures, and a call for the most rigid economy on the part of the individual citizen and the investment of his savings to the extreme limit in War Savings Certificates and War Bonds. These things, however, are not peculiar to ourselves. It is probably true today, and will be true, that we shall suffer less and gain most from it all. In the meantime they add to the number and magnitude of our business problems, but we accept them cheerfully with this condition, that where restrictions are imposed they should be administered for one purpose only, to help win the war, and rigid economy should be regarded not merely as a private but also as a public virtue.

Statement Very Satisfactory

Having regard to these conditions, I think it may fairly be said that the statement which has just been presented to you should be received with general satisfaction. The Net Profits for the year show an increase over 1939, and, after payment of the usual dividend and writing $100,000 off Office Premises, we transferred to tax and real estate reserves a total of $200,000, and carried forward in our Profit and Loss Account a credit balance of $400,600. Principal repayments on mortgages and agreements for sale were the heaviest in many years, and the corresponding item in the statement shows a reduction of approximately $1,800,000, while on the liability side there has been a substantial reduction in Sterling debentures, due to the cause which I have already stated. Deposit withdrawals were unusually heavy to meet the demands of war loan purchases, but, despite that fact, our liquid position at the end of the year was practically unchanged.

FIRST VICE-PRESIDENT AND JOINT GENERAL MANAGER'S ADDRESS

The First Vice-President and Joint General Manager, Mr. John A. Rowland, K.C., also addressed the meeting, and said in part:

I shall not attempt to discuss at any length the Annual Statement which has just been presented to you, but shall rather confine myself to a few general comments which I hope may prove to be of interest. You need hardly be reminded that in times like these a business such as ours is not without its problems, and in that respect the year 1940 ran true to form. The results of the year's operations were not spectacular, but I think we are all agreed that they were not unsatisfactory. Generally speaking, mortgage payments were good. That statement should be qualified, perhaps, in regard to the Prairie Provinces, where the normal program of collections was thrown out of line by the difficulties encountered in marketing the crop. In Saskatchewan, for example, the deliveries of wheat up to the 31st December were approximately 56,000,000 bushels below those at the end of December in the previous year, though the crop was almost 10,000,000 bushels larger. In addition to that, only a small portion of the proceeds of the early deliveries was applied either on crop share agreements or mortgage payments. The result was that the collections from the three Branches in those provinces, as of the 31st December, were substantially lower than in 1939. It was a case, however, not of loss, but of postponement. Payments which in the ordinary course would have been made in the closing months of the year were carried forward into the ensuing year, and we are now receiving, and shall continue to receive for some months to come, as grain deliveries can be made, payments which properly belong to 1940, and which would normally have been in our hands and reported at the end of the year. It is not too much to say that when the whole story has been completed, the results, even in those Branches, will be in harmony with our general experience. In spite of all that, however, our repayments on account of principal were substantially in excess of those for 1939.

War Needs Come First

The total volume of new loans for the year was substantially below that for the previous year and for obvious reasons we must expect that, for a time at least, our lending operations will be somewhat restricted. Moneys, which, in normal times, would be available for mortgage loans, will be required for other purposes, and we must at all times maintain a strong cash position to meet the increased demands which will be made upon our funds. Even residential building will have to give way to the superior claims upon labor and materials of industrial and war construction. It is interesting to note, that while in 1940 the total value of industrial and war construction was four times greater than in 1939, the figures for residential building were practically unchanged. This, of course, is a temporary situation, but it is one with which we have to reckon and which will govern the operation of our business until the change comes. As may be assumed from what I have already said, our new loaning under the National Housing Act was substantially reduced both in number and amount. Indeed, the maximum loan permitted under the act in 1940 was $4,000. You will be interested to know, however, that the record of satisfactory results from this type of business during the past two years is still maintained.

Real Estate Activity Greater

On the other hand, there is evidence of greater activity in real estate. The item of properties on hand, which appears in the statement, is somewhat larger than last year. This is an item which we would like to see reduced. It is not that it represents a dead or unproductive asset. Quite the reverse, but it is desirable that when properties come on hand in the operation of our business they should return as soon as possible to private ownership. The signs are unmistakable that the movement in this direction, which has been too long delayed and which in the national interest should be encouraged, is developing. One of the greatest benefits that can come from the National Housing Act is the education of our people to the fact that the ownership of his own home is not beyond the means of the man with a limited income. The basis of the act, as many of you know, is that of paying on the monthly instalment plan. This is a system which has been extensively used by this institution throughout its whole history of eighty-five years, and to the value of which we can speak with the knowledge born of experience.

Caution Urged in Rent Control

It may not be out of place at this point to refer to the establishment during the year of a system of rent control. A Central Board has been established in Ottawa, and local Boards are being set up throughout the country from time to time for the purpose of administration. The rentals prevailing at the beginning of January, 1940, are accepted as a sort of basis or starting point, and increases in those rentals are subject to review and approval. It may be that in some localities where there has been a sudden, perhaps temporary, increase in population, some measure of control is required, but to assume that there is need for a general control throughout the country, or that the scale of rents prevailing at the beginning of 1940 provides a fair basis on which to operate, is simply to ignore the facts. The lot of the landlord for some years past has not been a happy one. He has been subjected to ever-increasing taxation and unreasonably low returns. The real estate market almost disappeared, and the most frequent answer to one who attempted to interest the occupant in the purchase of a home was that, "it is cheaper to rent than to own." The situation was not healthy, building was reduced to the least attractive of our major industries, yet there is none which contributes more to employment, to the national wealth and the national strength, than building. For many years our annual program has fallen below our normal requirements, and the result is a shortage of houses, which is now making itself felt and will become more acute in the not far distant future, unless something is done to correct it. The surest remedy against inflation of rentals is a supply of houses to rent, and where that condition is the most nearly realized complaints of excessive rentals are few. It is not a special pleading therefore in the interest of property owners, but in the national interest as well, that we strongly urge the utmost care in the exercise of this form of control.

Mortgages Well Distributed

It has been our custom to report to the Shareholders from time to time on the general allocation of our mortgage loans, and it might be of interest that I should review the situation as of the 31st December last. It illustrates the point which we have so frequently stressed, that our mortgages are not only well diversified, but are well distributed throughout the various provinces and that we have a common interest with the average citizen in the conditions prevailing throughout the Country as a whole. The total number of our mortgage accounts at the end of the year was 16,115, of which 4,995 represented loans on farm properties, and 11,120 loans on urban properties. They are distributed throughout the country, —6.67% in British Columbia, 24.23% in the Prairie Provinces, 64.59% in the Provinces of Ontario and Quebec, and the remainder, or 4.51% in the Maritimes. The average farm loan is $2,168.36, and the average urban loan, including the larger loans on apartment houses and semi-business properties, is about $3,500. It is an interesting comment on the way in which we act as carriers of the savings of tens of thousands of our people to assist in our National development.

Trustee Service Grows

May I turn for a moment to a brief reference to our Trust Company. The volume of our Trusts and Estates under administration increased during the year by $2,900,000, and the increase came not from a small number of large estates, but from a large number of moderate estates. After all, the permanent success of the Trust Company will be determined not merely by the volume of its assets, but also by the number of its clients. The Trust Company business is a comparatively recent development, but it has become an essential part of our social system. In our short life of barely a quarter of a century we have made remarkable progress, which in the last analysis is based upon the character of the service which we have been able and are still prepared to render.

A major problem in the West in 1940 was what might be termed a wheat blockade. It was not a problem of production or price, but of marketing and storage. The total crop for the year was somewhat in excess of 550,000,000 bushels, of which approximately 190,000,000 came from Alberta; 260,000,000 from Saskatchewan, and about 75,000,000 from Manitoba. It followed closely on a large crop in 1939, which had left us with a carry-over at the end of the crop year is slightly more than 300,000,000 bushels. The elevator space was inadequate to meet the requirements, and the natural result was that deliveries could not be made in the ordinary way, or the proceeds of the crop made available to the farmer. To meet the situation, and to bring about an orderly marketing, delivery quotas were established at 5 bushels per acre in the first instance with increases from time to time in different localities, as space could be obtained. It is hoped that the whole of the crop may be moved before the end of the crop year, but it is inevitable that we shall find ourselves at the end of July next with some 500,000,000 bushels on hand and facing the same difficult problem again. The important fact remains that our wheat is an asset of tremendous value, and some day it will be required to feed a hungry world.

Wheat is Problem

It is the same old problem, springing from the same fundamental causes, intensified by conditions arising out of the war. The hope is expressed that when the war is over the nations of Europe may abandon their mad struggles for self-sufficiency and in part, at least, our foreign market for wheat will be restored. That may be so, but in the meantime the problem remains. The proposed remedy of an enforced reduction of acreage is easy to formulate, but not so easy to apply. The manufacturer can speed up or slow down his production to meet the changing conditions of the market. The farmer sows the seed and the issue rests with Providence, the grasshopper and perhaps the Wheat Board. Providence and the grasshopper have no respect for Orders-in-Council. Nevertheless, something can be done to minimize and lessen the difficulties. Lands unfitted for the growing of wheat should not be used for that purpose. Improved methods in soil treatment and productions should induce a greater regularity in both the quantity and quality of the crop. Moreover, the possibilties of disposing of the wheat itself have not been fully explored. The grain that can find no place on the market as grain will often be absorbed in the market in other forms. Wheat is food, and it is still food whether it is consumed as bread or as bacon.

Wheat may be the major problem of the West, but, even so, it is still only a part of the larger problem of the whole of our Western economy. If it is to be seen in its proper perspective, the growing relative importance of other sources of income must not be overlooked. A few figures will be instructive. In the Province of Manitoba last year the total value of the field crops was estimated at some $64,000,000, and of other agricultural production at $33,000,000, while as far back as 1938 the industrial output gave employment to more than 23,000 people, paid salaries and wages of $27,000,000, and amounted in all to a total of $131,000,000. In Saskatchewan the value of the wheat production was estimated at $140,000,000, of other grains at $28,000,000, of dairy products at $18,000,000, while about $23,000,000 was realized from the sale of live stock on the farm. In Alberta the figures are equally interesting. The value of the wheat production is estimated at $91,000,000, and all other field crops at $28,000,000, while miscellaneous products, such as honey, wool, poultry, game and furs, animals slaughtered and sold, amounted to $54,000,000, and dairy products to $20,000,000, to say nothing of the returns from other sources, such as coal, oil and the various resources of what is naturally a wealthy Province. The eggs are not all in one basket.

Canada Has Needed Strength

Just a word as to the future. We are frequently admonished to be always thinking of the conditions "after the war." It is the part of wisdom always to take the long view and to avoid mistakes that will be followed by unfavorable reaction later on. The greatest mistake that we could make today, however, would be to forget that "after the war" can come only after the war is over and Victory is ours finally and conclusively. We have committed ourselves to the tremendous task of protecting our priceless heritage of Freedom and passing it on to future generations, and we shall not, indeed we dare not, turn back until that task has been completed. As one looks back over the experiences of the past year he can face the future with confidence that this country has the economic strength to meet whatever demands may be made upon it, and its people have the will to accept and endure whatever sacrifices may be required of them.

War Savings

Big Parade Begins

The big show put on across Canada to launch the war savings drive has given many Canadians their first opportunity to see what they are getting for their money. The zooming airplanes and silent armored vehicles have created a definite impression that words and pictures could not convey.

The psychological impression is only a beginning. The impetus given the campaign by the opening parades is being followed up by sustaining publicity in posters, press and radio. Even more important, the organizers are approaching Canadians at work and at home. The contact men are driving the campaign home.

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How to Save

One of the more difficult questions constantly meeting the savings organizers is: "How much should I save?" To help answer this question, the Royal Bank of Canada has drawn up a schedule of budgets covering incomes from $70 per month to $7,500 a year, showing how persons in these income brackets can buy from $2 to $78 in certificates per month.

A total of 18 distinct budgets is included in the schedule, provision being made for single persons, married couples and families of four in the respective income groups.

As the campaign progresses, emphasis is being shifted from the task of rousing public enthusiasm to the job of increasing the sense of personal responsibility. In salesman's language, the customer has been sold on war savings, but the deal has yet to be clinched. Practical suggestions like those of the Royal Bank are what is needed to translate favorable sentiment into positive action.

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Honor Roll

First honor roll awards for Ontario show 115 firms in the gold medal class (100% of staff subscribing), 54 silver medallists (90-99%) and 84 in the bronze medal division (74-89%).

Many names should be added to this list, since new candidates for honor roll awards are daily forwarding their records to committee headquarters. To date, the lists reveal a highly satisfactory organizing effort on the part of Ontario industrialists.

An unexpectedly large number of the firms listed cannot be connected directly with the war industries. Life and casualty insurance companies, dairies, drug firms, laundries and cleaning establishments are numbered in the gold awards, although employees in these trades can have felt but little improvement in earnings from the war boom.

On the other hand, some of the firms whose names have figured most prominently in war contracts are still absent from honor rolls yet published. This may be deceptive, since the rolls are admittedly preliminary, and do not include some of the firms which The Financial Post understands to be in the gold medal class from direct statements by their managements.

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Silver For Nickel

The feat of the International Nickel Co. in getting its four big Sudbury mines into the 90% class and its Coniston smelter and Copper Cliff refinery into the bronze medal group is considered exceptional. International Nickel has upward of 12,000 Canadian employees, mostly located at the various Sudbury properties. Organizing these 12,000 is a more important contribution to Canadian thrift than is indicated by the awards granted.

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Postman Knocks Twice

War savings salesmen are not restricted to those listed on the official committees. A Pembroke, Ont., postal carrier, J. E. Sarsfield, conceived the idea of peddling savings stamps on his daily rounds. By the end of 1940, his sales amounted to $1,200 and he now has a long list of regular purchasers in Pembroke's business section. Mr. Sarsfield may have started something. The postman is ideally situated to provide a daily reminder of war savings pledges made by housewives and others who cannot easily be reached by general organizations.

Nfld. Fisheries Much Improved

Stock and Price Situation More Satisfactory at Year-end

The fisheries of Newfoundland entered 1940 with a substantially better stock position than at the end of 1939.

Total codfish stocks at Dec. 31 amounted to 256,539 qtls., against 548,964 qtls. at Dec. 31, 1939.

Total catch of cod in 1938 is estimated at 1 million dry qtls. (112 lb. a qtl.), which is about 100,000 qtls. below the total catch for 1939. There were, however, about 1,500 fewer fishermen producing in the last year than in 1939.

Price Situation Better

Price position was weak in the first quarter of the year, but improved substantially subsequently. Average export price for the whole of 1940 exceeds that of 1939 by about 25%.

Before Italy entered the [illegible] Newfoundland exported [illegible] that country approximately 90,000 qtls., approximately equal to more than 50% of exports to the Mediterranean country during the previous year. The loss of the Italian market halfway through the year was therefore only a partial loss during 1940.

In many cases, particularly in the latter part of the year, prices paid to fishermen exceeded the Government minimum price.

Fish Markets Expand

The Newfoundland fisheries expanded markets considerably in the latter months of the year. Spain, which did not buy codfish in 1939, purchased 133,000 qtls. In contrast with this Greece took 12,000 qtls. during 1940, compared with 75,000 qtls. in the preceding year.

Due to the fact that a number of countries were not able to obtain supplies from Iceland and Norway, demand for Newfoundland cod was substantially extended from Portugal, the United Kingdom, Brazil, and some of the West Indies.

To date Newfoundland fish exporters have found little difficulty in finding ocean shipping, and in the case of Portugal and Spain, two of the largest buyers, the purchaser supplied bottoms.

Rainy River Plan Is Announced

Approval and Proxies Requested by Bondholders' Committee

Holders of debentures of Rainy River, Ont., are being asked to approve the reorganization plan submitted by the Town of Rainy River Debenture Holders' Committee Proxy forms call for the appointment of committee representatives to submit the plan to the Ontario Municipal Board, and, if accepted, carry the plan into effect.

Rainy River defaulted on principal payments Feb. 1, 1936, but has maintained interest payments at contract levels. The present plan calls for the continuation of contract rates of interest to maturity of the present debentures, thereafter reducing the rate to 4½% per annum. Matured debentures will pay at contract rates up to Dec. 31, 1940, thereafter at 4½%. New debentures, embodying these principles, and payable in Canadian funds will be exchanged for the existing securities after the reorganization has been approved. The new debentures will mature serially in from one to 25 years. Debenture debt covered by the plan amounts to $148,025.

Canada Vinegars Ltd. Seen Past Low Point

Confidence that bottom had been reached in the downward trend of earnings of Canada Vinegars Ltd., was expressed by C. L. Carsley, president, at the company's recent annual meeting. Two successive years of poor pickling crops; biggest vinegar users, are blamed for bringing per share earnings down to 44 cents in the 1940 fiscal year, lowest point since the company's incorporation.

A third poor crop year is viewed as improbable from past experience, Mr. Carsley states, and existing stocks of pickles have been reduced by the lack of new supplies.

Strong representations have been made regarding the Federal excise tax on spirits used in vinegar manufacture. The tax paid by the company in 1940 was $100,000, compared with $40,000 in the previous year.

"Increasingly Valuable National Asset"

An Editorial in the Ottawa Journal

"Words Are Everybody's Business" is the title of a brochure just published by the MacLean Publishing Company, one of the Dominion's big business organizations, which publishes some 28 periodicals ranging from Maclean's Magazine, Mayfair and The Financial Post down through a whole gamut of trade and industrial publications to the quite remarkable total. This great business, employing nearly 1,000 persons, is the culmination of the achievement of one man, John Bayne Maclean, who began earning his livelihood as a reporter on the Toronto Daily Mail 60 years ago.

It is the custom chiefly to say nice things about great men after they are dead. Col. Maclean — he has been an active militia man all along —is very much alive yet, but doubtless can stand a few printed words about himself and his chief publication, namely, Maclean's Magazine.

Beginning with the publication of a small trade monthly in 1884, the Canadian Bookseller and Stationer, Mr. Maclean proceeded almost yearly thereafter to add some new publication to his undertakings until the present enormous business was built up. Needless to say, only very great ability, very hard work, and very shrewd judgment of both men and things could have achieved the great present result.

It is of Maclean's Magazine, however, of which The Journal wishes particularly to speak. Begun 32 years ago "providing news articles, special features, fiction and other material of national interest," Maclean's Magazine, now issued twice a month, has been always an interesting and creditable Canadian publication; and of recent years been an increasingly valuable national asset. It has been conducted with a vigorous and independent patriotism, infusing excellent special articles, accompanied by clean and usually excellent fiction, and by a sort of bird's-eye view of all features of Canadian life and interest from coast to coast, with a wide impartiality as between big provinces and little ones; and a genial appreciation of interesting things anywhere. Maclean's has come to have a big circulation in Canada, and deserves it all and more. In merit, Maclean's compares well with the best of the illustrated United States weeklies, some of which have become overpopular in this country; that we have such a publication as Maclean's in Canada is something for us all to be proud of.

Potter and Co. Retires From Brokerage Field

From Our Own Correspondent

MONTREAL. — Potter & Co., members of the Montreal Stock Exchange, Toronto Stock Exchange, and Montreal Curb Market, has retired from the public brokerage business. Arrangements have been made with G. E. Leslie & Co., members of the Montreal Stock Exchange, and the Montreal Curb Market, to take over the company's accounts.

AGAINST "EXEMPTIONS"

From Our Own Correspondent

MONTREAL.—Town of East Angus, Que., has passed a resolution asking the Government to stop "the exemptions from newsprint prorating and put all the communities of the province upon an even basis."

Colombian Crude Oil Exports Rise 25%

Feature of crude oil exports from Colombia, S. A., for the nine months ended Sept. 30 last was the gain of more than two million barrels in shipments to Canada, as compared with the corresponding period of 1939. Altogether exports of crude from Colombia, where International Petroleum Co. is the largest producer, were up 25% in the first three quarters of last year.

More than one third of the total came to Canada, the actual figures being 6.1 million bbls., against four million bbls. in the corresponding portion of 1939. Netherlands West Indies, site of large refineries, took the largest share of total exports with 7.3 million bbls., up almost a million barrels from 1939.

Of the total exports of 18 million bbls. against 15 million bbls. in the 1939 period, just under 15 million bbls. were shipped in 1940 from Mamonal, outlet for International Petroleum's output.

JOINS TIP TOP TAILORS

Archibald Newman has been appointed advertising manager for Tip Top Tailors Ltd., it is announced. Mr. Newman is a former Toronto newspaperman.

C. W. Lindsay Business Up 48% in December

MONTREAL.—Business of C. W. Lindsay & Co. in December showed an increase of 48% over the same month last year. In the year to Dec. 31, 1940, comprising 10 months of the company's fiscal year, net sales showed a gain of more than $145,000 over the corresponding period last year.

Week in Mining

Ontario Gold Output Up 11.52% During 1940

Total Recovery of Over $122 Millions Passes All Previous Records in Province's History — Porcupine Increases Its Lead

All previous records were eclipsed by Ontario gold mines in 1940 with output for the year totalling $122,232,970—an increase of 11.52 per cent over 1939, which was the previous record year. To establish the 1940 record, the Province milled 11,687,412 tons of ore, another record and a considerable increase over the 10,723,129 tons treated the previous year. Indicating that gold production is still expanding even with the reduced search for new mines, December production value established a new record at $10,511,958.

A total of 64 gold mines contributed to the December output. Porcupine increased its lead as the Province's premier gold mining camp last year. Output in December amounted to $4.6 millions as against $3.2 millions for the Kirkland Lake area. Taking all 1940, Porcupine produced $55 millions against $40 millions for Kirkland Lake. Corresponding figures for 1939 had been $48 millions for Porcupine and $38 millions for Kirkland Lake.

Proprietary's Success

Proprietary Mines, the company in the Larder Lake formed by creditors of a number of unsuccessful predecessor companies, seems to be "cashing in" these days. Holding over a million shares of Kerr-Addison Gold Mines received from sale of claims, the company has now a regular income from Kerr dividends and anticipates payment of regular dividends on its own stock from this revenue.

But Kerr-Addison is apparently not the only bright spot on the Proprietary horizon. Diamond drilling on the property of Laguerre Gold Mines, in which the company has a substantial interest, recently outlined a wide medium grade ore body on which work is proceeding. Discovery of this new ore body may also improve the outlook for other Proprietary claims in the same locality, it is stated. Work on some of these claims is expected this coming summer.

* * *

Slave Lake Picture

Commencement of production of tungsten at Slave Lake Gold Mines, Great Slave Lake, N.W.T., occurs at a time when demand for this metal is very great. In a recent speech, G. C. Bateman, Canada's metals controller, stated that anyone starting production of tungsten or scheelite concentrates would be doing the country a real service.

Now news comes from the United States that indicates just how badly needed are supplies of tungsten. The United States Navy last week released its entire reserve of the metal—226 tons—to relieve a shortage of the metal in the steel industry which threatened to halt production of high grade steel for the armament programme.

In the last month of underground work, Slave Lake Gold Mines is reported to have extended considerably the tonnage of ore available for milling. Work at depth has picked up the main vein which was missed in earlier work, it stated. While the company must face high costs in an outlying area like Great Slave Lake, the high grade character of the ore is expected to offset this and to allow a fair margin of profit.

* * *

Mines Handbook Issued

The 1941 edition of Canadian Mines Handbook, published by Northern Miner Press, Toronto, is now off the press.

Information compiled for the book shows that nine new mills are under construction at the present time, with 12 more projected or proposed. Allowing for increased mill capacity, it is estimated that gold production this year will amount to $225 millions, up $20 millions from 1940.

During last year a total of 16 new gold mills were added, bringing the total to 136, exclusive of placer operations and irregular shippers to custom smelters.

No new base metal mines commenced operation last year with the number of producers remaining the same at 17. Existing mines made new records in everything but dividends despite low metal prices and limited markets.

* * *

Nigger in Gold Pile?

The Investor's Chronicle, English financial paper, reviews possible reasons for the high yields on Kaffirs (South African gold issues) in an article entitled "The Nigger In The Gold Pile."

After pointing out advantages possessed by Kaffirs, assured market, a healthy distance from any hostile air bases, a substantial measure of Dominion income tax relief, the best remaining hedge against a depreciation in sterling, etc., The Chronicle reviews unfavorable factors on the horizon.

Taking a historical approach, it is found that a false report back in 1937 that President Roosevelt would cut the buying price for gold started the "gold scare" and that share markets have never really recovered. The most recent development for the prophets of disaster to work with has been the concentration of large quantities of gold in the United States, The Chronicle says.

However, the journal has this to say for the future:

> "When Britain and her allies, both belligerent and non-belligerent, have won this war their interest in gold will be so great that they must see to it that the metal is restored to its proper function for the benefit of all. The United States will not want to throw away such an enormous investment. The British Empire (and Russia), as the major producers, will certainly not wish gold to join cowrie shells as relics of an interesting past. Even Nazi Germany, be it noted, although scornful about the plutocratic democracies, makes a beeline for central bank vaults of any country she occupies."

* * *

Prospecting Objectives

People are now watching and hoping for some concrete results of the recent conference of Dominion and provincial mines ministers held in Ottawa. Recommendations of this conference to assist prospecting were reviewed here last week.

There is little doubt but that the financial community will be behind any move to restore prospecting which is undoubtedly the root of all mining in the last analysis. Leaders from coast to coast have voiced this opinion. J. Y. Murdoch, president of Noranda Mines, stressed the importance of prospecting in an interview with The Post about a month ago. In the December issue of the Vancouver Stock Exchange monthly bulletin, A. E. Jukes, the Exchange's president, advanced two concrete suggestions which he thought might give the desired stimulus to prospecting. Said Mr. Jukes:

> "One of the most effective steps which could be taken would be to permit mining companies to charge funds expended on new exploration against current earnings. At present no such allowance is made. In effect, if a mining company spends $100,000 to $250,000 per annum in searching for new mines, it must pay the ordinary rates of income tax on these amounts.
>
> "A 50% depletion allowance for purposes of federal taxation in the place of the 20% now permitted would be more in keeping with the actualities of the case. The lifetime of a mining operation on the average is a brief span of years. Equity demands that a fair chance be afforded for a return of capital."

Kirkland Lake Reserve Up

Earnings Narrowly Lower Due to Doubled Taxes — Output Higher

Highlights of the annual report of Kirkland Lake Gold Mining Co. for 1940 are as follows:

An increase in ore reserves to 266,878 tons worth $4,310,298 ($35 gold) against 229,315 tons worth $4,263,914 the previous year.

Slightly lower net profits with earnings equal to 13.2 cents a share against 14.6 cents in 1939.

Sharply higher producion at $2,051,790 from 137,986 tons of ore in 1940 compared with $1,731,243 from 99,401 tons the preceding year.

A step-up in working capital to $461,283 the end of 1940 from $405,144 a year before.

Veins Cut

The increase in ore reserves includes nothing for a dozen or more ore-bearing veins which have been cut by diamond drilling but not yet reached by actual mining operations, states Dr. J. B. Tyrrell, president, in his remarks to shareholders.

Veins south of the main break have continued to respond favorably to development, it is reported. As yet, none of this series of veins has been opened and mined below the 44th level, but others have been located by diamond drill at the 46th and 49th levels.

Major work during 1940 was carried out in No. 6 break on the 4,150, 4,300, 4,450 and 4,600-ft. levels.

Income and Surplus Account
Years Ended Dec. 31

	1940 $	1939 $
Bullion production ..	2,051,790	1,731,243
Less: Oper. exps.	983,021	733,089
Taxes	266,103	129,530
Administration	23,286	22,117
Net earns. from opers.	779,380	846,507
Add: Non-oper. inc. .	10,682	14,235
Total net earnings ..	790,062	860,742
Less: Depreciation ...	87,590	80,501
Net profit	702,472	780,241
Less: Dividends	639,204	532,670
Surplus for year	63,268	247,571
Add: Prev. surplus ..	527,655	280,084
Less: Tax adjusts. ...	17,879	......
Surplus forward	573,044	527,655
Earnings per Share and Dividend Record:		
Earned, ...	$0.132	$0.146
Paid	0.12	0.10
Working Capital		
Current assets	777,461	620,472
Current liabilities ...	316,178	215,328
Working capital	461,283	405,144

Hoyle Mill Now Treating Around 450 Tons Daily

With production commenced the latter part of January, Hoyle Gold Mines is the latest Porcupine producer. The mill is now treating approximately 450 tons daily and will be gradually stepped up to capacity which may be in excess of 500 tons.

Mill flow sheet combines flotation with cyanidation of concentrates. The regrind and cyanidation circuit is capable of handling concentrates from daily production of between 800 and 900 tons per day. By addition of cone crusher and additional flotation cells, mill capacity may be increased to 600 tons a day. The mill is designed so that the tonnage may be increased to 800 or 900 tons daily at a relatively low cost.

Higher Grade Expected

Grade of ore treated is at present running approximately 0.13 oz. due to a large part of the mill feed being drawn from the surface stock pile. During the next month, stopes will be ready to supply the entire mill feed at which time mill heads are expected to range between 0.14 and 0.15 oz. An improved type of sorting belt is being installed, similar to that used at Broulan, and when sorting is started in March, mill heads may be increased to a figure in excess of 0.15 oz.

Operating costs, including development, are estimated below $3.25 with the possibility that costs may be brought down to a figure close or below $3, based on 500 tons per day. Still lower costs will be achieved if the mill tonnage is increased in the future.

Indicated ore available for milling is estimated at 1.3 million tons with a cut grade of 0.124 oz. and an average of over 40 ft. This tonnage of ore contained above the 700-ft. level and within a horizontal length of 1,500 ft. was developed at an average cost of slightly over 25 cents a ton. Rake of the ore on the upper levels indicates the favorable zone may carry through to lower levels east of the shaft.

A very limited amount of work has been done between the 600 and 1,800-ft. levels, leaving the 1,200-ft. block of favorable ground to be developed. Exploration on the 1,800-ft. level has indicated 400 tons of ore per vertical foot with an average cut grade of 0.15 oz. It is planned to resume exploration of these levels as soon as the mine and mill are in steady production.

Prepare "K" Ore Body

The "K" ore body east of the shaft has been prepared for stoping between the 200 and 600-ft. levels and should be ready for full scale mining in February. Diamond drill hole blasting will be used in breaking ore in this stope. West of the shaft, the A and B ore bodies are being prepared for shrinkage stoping above the 400-ft. level and preparation work is approximately 50% completed.

The mill is now being fed approximately 75% from surface stock pile, which contains about 20,000 tons, and 25% from underground. Underground feed will be gradually increased until it will supply entire requirements in about a month's time.

Surface diamond drilling has indicated other favorable zones, including one length of 700 ft. with an indicated grade of 0.20 oz. across 10 ft. The Hoyle property has an area of 1,200 acres and is located immediately east of Pamour Porcupine Mines.

Finances have been provided by Ventures Ltd. and associates. President is Bert W. Lang with J. M. Cunningham-Dunlop, mine manager.

Officials Announced For Alloy Metals

Alloy Metal Sales—newly formed marketing subsidiary of International Nickel Co. of Canada—this week announced officials to handle the company's operations.

Management of the company is to be under the direction of J. G. Near. Mr. Near, as an executive of Peckover's Ltd., has been associated with the sale of metals for over 20 years. In that period, both the number of industries served and the applications of the products have been greatly broadened.

J. G. NEAR

Associated with Mr. Near is A. H. Galley who has had 14 years' experience in the production and sale of Inco products. Hugh G. Watson, an authority on foundry practice and connected with development of alloy nickel irons, joins the new company in the same capacity as Mr. Galley.

Ram River Oils Well Reaches 2,309 Ft.

Drilling of a test well on the Ram River structure by Ram River Oils had reached a depth of 2,309 ft. on Jan. 18 with gas and oil showings reported on the log sheet for that depth.

Officials anticipate the main prospective producing horizon will be reached at a depth of between 2,700 and 3,000 ft., probably nearer the latter. Drilling is in the lower Devonian formation.

Board Upholds Freight Rates

Objections of B. C. Interests Against Rail Increases Are Rejected

From Our Own Correspondent

MONTREAL. — Suspension of railway freight rate increases effective Feb. 1, as requested by British Columbia and Vancouver interests, has been refused by the Board of Transport Commissioners.

The Canadian Freight Association held that the previous rates were put into effect to meet competition and that there had been a material lessening of such competition.

Board Gives Views

The Board of Transport in a statement said:

"The Board has frequently held that under the Railway Act carriers may at their discretion meet competition by reducing tolls; and that they may also at their discretion restore tolls to a normal basis when the competition ceases. And further, tolls reduced by a railway company to meet the competition may at the discretion of the rail carriers be brought up more closely to the normal level when the competition becomes less effective.

"After consideration of the material before the Board and representations made on behalf of the applicants, the Board does not consider that a prima facie case for suspension has been made out and sees no ground upon which the Board would be justified in ordering suspension of the tariff schedule in question."

No Competition Now

Some time ago, due to waterborne competition on movement of goods from east to west by the Panama Canal, the two railways reduced their rates to competitive levels. Because of war conditions this competition has been eliminated and, consequently, the railways have restored the freight rate to the former level.

The Board said if the applicants for suspension of the rate increases desired, it was prepared to hold a hearing later either at Vancouver or at some other point.

VANCOUVER VIEW

From Our Own Correspondent

VANCOUVER. — West coast industries, when the Transport Board holds a further hearing in Vancouver on increased freight rates, will concentrate on the argument that the rates are unfairly discriminatory. It is held that the whole economic structure on which industries have been based on this coast, ever since the opening of the Panama Canal, is threatened by the higher rates.

The industries here claim that the railways are taking advantage of a temporary condition brought about solely by the war; that ships will eventually return to inter-coastal service via the Canal and that competitive rates will then be returned, but that in the meantime the west coast will be penalized.

Adds to Costs

Spokesmen for industry here assert that the higher rates will handicap war work by adding to the cost of production. Clarence Wallace, president of Burrard Drydock, now engaged in building six steel cargo ships for the British Government, estimates that the increased rate will represent about $14,000 on each ship.

It is proposed to carry the fight to the Supreme Court and then to the Dominion Government if the Transport Board is unable to adjust the situation.

Open High Grade At Gold Frontier

Length of 60 ft. Shows Uncut Grade of $56 Across 12.37 ft.

Recent work at the 125-ft. level of Gold Frontier Mines has added 15 ft. of length to the high-grade ore body disclosed with the length of 60 ft. now revealed showing an average uncut value of $56 across 12.37 ft. from the average of a crosscut and seven drill holes.

The east face is still in ore with drifting continuing.

Drill Shows 15-ft. Ore

Drill hole No. 115 which was drilled to check previous results in this ore body returned an average of $35.42 a ton across a width of 15 ft. Sections in the hole ran from 0.35 oz. across 3 ft. to 1.69 across 3 ft.

The No. 107 crosscut which was completed across the ore body showed an average of 1.70 oz. across 12 ft. on the east wall and 0.88 oz. for 12 ft. on the west wall, an average of 1.29 oz. or $49.66 a ton over 12 ft.

WHITNEY DRILLING DELAYED

A programme of diamond drilling for North Whitney Mines, Porcupine area, Ontario, is stated to have been held up pending outcome of negotiations for larger finances to carry out a more extensive programme of exploration.

Mining Concentrates

Bankfield Consolidated Mines is continuing its search for a new ore source with about five months ore left for milling. With production of $25,000 to $30,000 monthly expected, an operating profit can be made after allowing for the development programme to find new ore. No definite plans have been made to mill a block of about 12,000 tons of marginal grade ore on the downward extension of the main shoot below the fourth level. Best prospects for finding new ore are believed to lie in the north zone which is an extension of the zone responsible for the Magnet Consolidated deposit.

* * *

Beattie Gold Mines has declared a dividend of 4 cents a share payable March 15, 1941, to shareholders of record March 1. Four similar dividends were paid last year with an extra dividend of 2 cents a share on Dec. 5.

* * *

Bidgood Kirkland Gold Mines is stated to have encountered a number of new ore shoots in recent work at the 1,025-ft. level and also in the upper part of the mine.

* * *

Coniaurum Mines has declared a dividend of 4 cents a share payable Mar. 20, 1941, to shareholders of record Mar. 8.

* * *

Chesterville Larder Lake Gold Gold Mining Co. realized an operating profit of $560,913 or $2.98 a ton in the fiscal year ended Dec. 15, 1940. Profits were $389,623 or $1.80 a ton after write-offs and including miscellaneous income, but before taxes. Taxes are officially estimated at about $60,000, leaving net profit of about $329,623 or around 19 cents a share.

* * *

Coniaurum Mines realized an operating profit of $161,769 for the three months ended Dec. 31, 1940, compared with $181,416 for the three months ended Dec. 31, 1939. Increases in taxes and operating costs more than offset an increase in production to $474,095 from 46,625 tons of ore milled from a recovery of $463,840 from 47,680 tons of ore in the last quarter of the previous year.

* * *

Edgecreek Gold Mines (1936), in bankruptcy, will have its assets sold to meet creditors' claims. Tenders for the property, equipment and other assets must be in the hands of the trustee, Guaranty Trust Co. of Canada, Toronto, by Feb. 13.

* * *

Gunnar Gold Mines showed an increase in production the last quarter of 1940 as shown below:

Quarter ended:	Tons milled	Tons daily	Recov. per ton $	Total recov. $
Dec. 31, 1940	13,330	145	12.87	171,514
Sept. 30, 1940	13,417	146	12.52	167,978

* * *

Jodelo Gold Mines has completed its shaft to a depth of 350 ft. with lateral work under way on two levels established at 250 to 350 ft. depth.

* * *

Howey Gold Mines realized an operating profit of $221,600 in 1940 with $37,500 reported the last quarter. During the year the company received substantial income from its holdings in East Malartic Mines. Production the last quarter of 1940 was $229,600 from 139,963 tons of ore hoisted. Operating costs, before taxes, were equal to $1.38 a ton.

* * *

Kirkland Lake Gold Mining Co. has declared an extra dividend of 1 cent a share payable along with the regular semi-annual dividend of 5 cents a share on May 1, 1941, to shareholders of record March 31.

* * *

Leitch Gold Mines showed an increase in earnings the last quarter of 1940 with $53,358 earned equal to 1.9 cents a share compared with 1.2 cents, a share for the preceding quarter. A sharp decrease in outside exploration expenditure aided last quarter showing. Taxes have shown a sharp increase during 1940 and in the last quarter were nearly as great as net profit realized. Following completion of shaft sinking as reported in December, crosscutting has been started on three of five new levels. It is unofficially reported that probably two years will be required to open up the five new levels.

* * *

Mackenzie Red Lake Gold Mines recovered $1,012,551 in 1940, with operating costs estimated not to exceed $525,000, without provision for depreciation and taxes. Production for the three months ended Dec. 31, 1940, amounted to $292,311 from 20,404 tons of ore, an average of $14.33 a ton. About 900 ft. of new ore was exposed in the last quarter of 1940. Work on the 650-ft. level in the northeast shear has reached a point 1,700 ft. north of the shaft and is in ground not previously explored. About 240 ft. of ore was indicated in this section during the quarter with drifting north continuing. On the 1,050-ft. level, 150 ft. of ore has been exposed in what is apparently the same structure. The 850 ore body has been proved to the 750-ft. level and 200 ft. more ore has been drifted on.

* * *

McMarmac Red Lake Gold Mines which brought its 75-ton mill into operation on Nov. 1, 1940, recovered 2,000 oz. gold to the end of December. Over 80% was in the form of gold bullion, the remainder in the form of flotation concentrates. It is too early to estimate earnings, according to the president, but a substantial operating profit is indicated by results presently being obtained.

* * *

Toburn Gold Mines production in December was considerably lower than in the preceding month:

1940:	Tons milled	Tons daily	Recov. per ton $	Total recov. $
December ...	4,935	159	20.64	101,868
November ...	5,120	171	23.82	121,980

* * *

Upper Canada Mines has declared a dividend of 3 cents a share payable Feb. 28, 1941, to shareholders of record Feb. 15. Payments of the same amount were made Aug. 31 and Nov. 30, 1940.

Canadian Malartic Profit Declines

Higher Output More Than Offset By Working Costs and Taxes

Operating profits at Canadian Malartic Gold Mines declined to $84,604 the last quarter of 1940 compared with $98,279 the corresponding quarter of 1940. Increased development, higher stoping costs, and greater taxation were chiefly responsible for the decline.

Output the last quarter of 1940 totalled $300,646 from 72,128 tons of ore compared with $281,110 from 61,900 tons the last quarter of 1940. Total operating costs outside of taxes and administrative expenses were $187,824, the last quarter against $164,387 in 1939. Taxes showed an increase from $8,600 to $18,000.

Completing Haulageway

The haulageway on the 750-ft. level to the No. 3 shaft is expected to be completed about Feb. 15. Stope development is proceeding in this section and production from this source will begin in April.

A winze is now being sunk from the 875-ft. level and levels will be established at 1,000 ft. and 1,125 ft. for development of the 708 ore body. The No. 2 shaft will be extended to 1,200 ft. to handle production from these levels.

An exploration drift on the 875-ft. level is being driven southeasterly from the 708 ore body to test for further ore occurrences along the contact zone.

Operating costs for the December quarter were $2.69 per ton of ore milled.

ELDORADO SALES MANAGER

Carl B. French, a director of Eldorado Gold Mines, has been appointed to the position of sales director, the company reports. In this position he will have charge of the marketing of therapeutic and commercial radium salts, uranium compounds and associated minerals. Mr. French will continue to make his headquarters at the company's head office in Toronto.

Brock Gold Completes 2nd Level Station

Sinking of the shaft at Brock Gold Mines, adjoining Upper Canada Mines in eastern Kirkland Lake, has now reached a depth of 340 ft., it is reported, with the second level station cut at 327 ft. depth.

Shaft sinking is continuing at the rate of 6 ft. a day with the cutting of stations requiring about a week. At present rate of work, it is believed the shaft will be completed early in April, making way for crosscutting to ore zones indicated in diamond drilling carried out from surface some time ago.

BANKFIELD RECOVERY

Production of Bankfield Consolidated Mines in December amounted to $29,345 from 3,311 tons of ore for an average recovery of $8.86 a ton. This compares with November output of $40,710 from 3,242 tons of ore, an average of $12.56 a ton. Treatment of Jellicoe ore on a custom basis was completed in November.

Week in Oils

Allowable Boosted

From Our Own Correspondent

CALGARY. — Acting on instructions from the Dominion Oil Controller to step up Turner Valley oil well production a further 1,000 bbl. per day as a "war emergency measure," the Oil Conservation Board has set field allowable for the month of February at 728,000 bbl., or 26,000 bbl. per day.

The action marks a further step in the programme to utilize Alberta's oil resources to the greatest possible extent in furthering the Canadian war effort. The programme was temporarily thrown out of kilter last Dec. 1, when unforeseen circumstances forced a cut in allowable to 22,000 bbl. per day. On Jan. 17 the oil controller ordered a boast to 25,000 bbl. and on Feb. 1 a further boost to 26,000 bbl.

* * *

Incomes No. 2 Largest

The allowable schedule for February, issued by the Conservation Board, provides for a 22,00 bbl. per day Conservation Board allotment plus a "war emergency allotment" of 4,000 bbl. A total of 135 wells is covered by the schedule, compared with 131 wells in the January schedule.

Largest ranking well under the February schedule is the field's most northerly producer, Alberta Oil Incomes No. 2, with a daily quota of 638 bbl. compared with 571 bbl. from Jan. 17 to 31. Home-Millarville No. 2 is allowed 620 bbl., Foothills No. 5, 551 bbl., Home-Millarville No. 3 and Foothills No. 7 each 538 bbl., and Calmont-Northwest No. 2, 528 bbl.

* * *

Final 1940 Figures

A new Alberta oil production record—but one that appears destined to fall far short of the record to be set this year—was rung up in 1940. According to final figures announced by F. K. Beach of the Conservation Board, 1940 production totalled 8,493,237 bbl. with a value of $10,504,669. In 1939 production amounted to 7,594,411 bbl. worth $9,289,580.

Of the 1940 yield, Turner Valley oil wells accounted for 8,097,414 bbl., while gas well, shallow oil wells and absorption plants brought the total Turner Valley yield to 8,452,527 bbl.

* * *

Averaged 22,124 Bbls.

The average daily Turner Valley oil well output during 1940 was 22,124 bbl., compared with 19,618 bbl. average in 1939. Daily average yield for all Alberta for 1940 was 23,205 bbl., compared with an average of 20,750 bbl. in 1939.

During 1941 Turner Valley oil well output is expected to average at least 25,000 bbl. per day, and may be even somewhat greater. Output from other fields is also expected to show a substantial increase, particularly in view of the "discovery" at Princess on Dec. 30 and recent developments in the Vermilion and other promising Alberta fields.

* * *

B.A. Ships Aviation Gas

The British American Oil Co., Canada's No. 2 refiner and marketer of petroleum products, has completed installation of special processing equipment at its Calgary refinery and is now making regular shipments of aviation gasoline to British Commonwealth air training schools in Alberta, Saskatchewan and Manitoba.

The aviation fuel, of specially high octane rating, is being processed entirely from Turner Valley crude oil. It is the first aviation gas to be turned out from the Alberta product. B. A. reports that Turner crude breaks down to yield 15 to 20% aviation fuel, 40 to 50% ordinary motor fuel and a residue of such products as kerosene, bunker fuel, etc.

* * *

Can Produce More

While B. A. is supplying its full share of the air plan requirements on the prairies, it is still only necessary to operate the special aviation fuel refining equipment part time. As more and more training craft are delivered and go into use at the many schools established on the prairies, B. A. will step up production of aviation fuel.

At present British American is the only refiner supplying the air plan with fuel processed from Alberta crude. Pacific coast, eastern Canadian and that portion of the prairie demand not supplied by B. A. is being met with fuel processed at Vancouver, Sarnia and Montreal from imported crudes.

* * *

Widen Saskatchewan

The Northwest Com., subsidiary of Imperial Oil, is reported to have completed arrangements with the Saskatchewan Government by which the company will survey and develop a 1,600 square mile block in southern central Saskatchewan. The block is described as "extending from the United States boundary south of Weyburn, westward to a point about directly south of Moose Jaw and then northward to Avonlea."

The block lies just south of the 1,800 square mile area now being surveyed by Norcanols Oil & Gas Co., which is backed jointly by Imperial Oil., Canadian Western Natural Gas Co., and Osler, Hammond & Nanton Ltd.

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Open 'BC' Vein At Gold Quartz

To Deepen "B. C." Shaft Perhaps Raising From Main Crosscut Drive

From Our Own Correspondent

VANCOUVER.—The strike on the "B. C." vein at Cariboo Gold Quartz Mines carrying values of .3 ounces to .6 ounces across four to five feet is 680 to 700 feet along the vein from the old surface workings on Barkerville mountain, according to President W. B. Burnett, who made a trip of inspection to the mine this week.

Development alone will determine definitely whether the strike made 1,000 ft. below the surface is on the same vein as traced for 1,500 ft. on the surface, but the indications are favorable, says Dr. Burnett.

The old "B. C." shaft will be deepened while drifting proceeds on the vein at depth.

Drift in Both Directions

When the timbering has been provided for, drifting will proceed in both directions on the vein at the horizon of the main crosscut tunnel.

Arrangements are also being made to sink the shaft. The bottom part of the shaft may be installed by raising the main level drift, raising for the entire distance, but this is not considered practicable in view of the condition of the ground. Sinking while drifting proceeds will expedite the blocking out of ore on the vein.

The shearing condition where the vein occurs slows up development and makes it advisable and safer to sink rather than raise. The new strike shows a banded structure containing galena and bismutite, both of which are considered indicative of deep-seated ore.

The mill is now operating at 350 tons daily, but will soon be able to handle 400 tons.

General Steel Wares To Pay on Preferred

From Our Own Correspondent

MONTREAL. — General Steel Wares Ltd. has declared a dividend of $1.75 a share on the 7% preferred for the quarterly period ended Jan. 31. The dividend is payable Feb. 20 to shareholders of record Feb. 10.

George W. Murphy, vice-president and general manager of J. S. Mitchell Co. has been elected a director of the company to fill the vacancy left by the death of the Hon. Gordon W. Scott.

SHANWELL PORCUPINE

A first drill hole put down by Shanwell Porcupine Mines is stated to have been temporarily bottomed at 684 ft. A goldbearing zone was intersected. A second hole is now being drilled below the first to secure greater depth. It is now down 600 ft.

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Rich New Pickle Crow Vein Cut

Dike Intersected North of Company's "North Mine" Shows Width of 7 ft. Averaging $10.78 a Ton from Car Samples — Out in Virgin Ground, a Major New Development May be in the Making — Albany River Opens Ore Shoot at First Level

By GORDON M. GRANT
Staff Writer, The Financial Post

Discovery and development of the new "north mine" at Pickle Crow Gold Mines has at least doubled potential ore resources of the property in the opinion of Jack Hammell, the company's dynamic president.

Instead of being a one-vein mine, as appeared possible in early stages of development, Pickle Crow now seems to be turning into a multi-vein operation. With a 650-ft. length of ore already opened up in the new main north vein at the 750-ft. horizon, a drift put out for 472 ft. to the north of the main north vein has intersected a lamprophyre dike showing a 7-ft. width of good grade ore.

Besides this dike, three other parallel breaks are known to lie in this section, two of which are gold bearing and may develop ore shoots.

Only the barest details are yet available on the lamprophyre dike occurrence. It is out in open country with no drilling completed either east or west of it; obviously, from the assays available, it could be of first importance. Car samples suggest a considerable width of ore —perhaps the widest in Pickle Crow experience. Here are the results of car muck samples taken over a 7-ft. dike width:

No. Cars	Cut Grade $
Five	12.25
Five	13.65
Three	2.10
Three	12.25

In view of these values, it is anticipated that drifts will shortly be run along the dike to determine the extent of the ore at this horizon. However, machines may not be available to start this immediately. One machine continues to drift in ore on the main shoot going east while a second machine has so far been in use working north.

Good Property Protection

There is plenty of property protection to the north and plenty of ground where other veins may conceivably be encountered in the light of recent results. Even breaks encountered which do not make ore in the north drift may conceivably develop ore shoots further along. Flat drill holes can be used to explore these zones at intervals from east-west drifts.

South of the main north vein, drifting some time ago opened up two shoots of ore and there are other possibilities to the south remaining to be investigated.

The 650-ft. ore length of the main north vein has a cut grade of $12 a ton across an average width of 57 inches with high assays cut to an ounce. There have been very many high assays along the vein and the management expects that in milling, the ore from this vein will likely run much higher grade than the cut assay suggests.

Geology in the north area is viewed as particularly favorable by the management. The main north vein in which most work has been done is in greenstone and porphyry formation. Samples shown the writer displayed much free gold with a large proportion of quartz. A total of 2,678 cars of muck from this zone gave an average of $14 a ton cut, or somewhat higher than the average of face samples.

Drifting still continues to the east in ore with about 250 ft. to go to reach the Winoga section of the Pickle-Crow-controlled Albany River Gold Mines property.

Wait for More Results

Plans for mining of the north zone at other horizons than the 750-ft. level are not being settled until extent of the ore deposition is more completely known. A shaft may be put down on the Winoga section of the property to service this section of the property. Overburden is heavy above the north zone where it is being opened up at present, but the Winoga ground, being higher will be much better for putting down a new shaft.

At the Albany River property underground work is opening up ore. Surface exploration last summer showed two new ore shoots, one 140 ft. long averaging $11.98 ($17.66 uncut) over an average width of 24.6 in. while a second shoot had a length of 110 ft. averaging $7.32.

New Albany Ore

Underground work has now been carried below the surface showings with 145 ft. of ore opened up running 0.25 oz. or $8.75 a ton across 28 in. with both faces still in ore. A total of 478 cars of quartz muck from the drift gave a value of 0.31 oz. or $10.85 a ton. Some cars of schist were also taken to see if the schist carried values and this material ran 0.12 oz. or $4.20 a ton.

As Pickle Crow holds 56% of Albany River stock, ore opened up there could quickly be reflected in Pickle Crow profits. Albany ore will, of course, be treated in Pickle Crow's mill. Proving of good ore at both ends of what may be one long break, suggests that intervening ground could be favorable for the opening up of further ore. A zone this long would be likely to go to great depth.

Work at the main Pickle Crow shaft is now concentrated on sinking from the 1,950-ft. level to 3,000 ft. with the shaft down to 2,398 ft. To avoid long crosscuts to the ore zone at each of the new levels, crosscuts will likely be run at only two or three new horizons with levels in between opened up from raises.

While the ore length of the 1,950-ft. level has not so far been extended beyond 826 ft. averaging $12.25 (cut grade) across 36 in., Mr. Hammell is confident that work at depth will show both restoration of ore lengths and values found on the upper levels. The vein shows no tendency to weakness at depth and there has been nothing of the nature of a blank level as has been experienced at Teck-Hughes and other mines where ore was later found at greater depth.

Dr. Bishop, the company's geologist, sees no reason for anticipating any unfavorable change in geological conditions as depth is reached.

There has been considerable variation in gold values from level to level in the past with the gold intruded from below, and finding of higher values again can be expected, Mr. Hammell believes.

More Ore Above

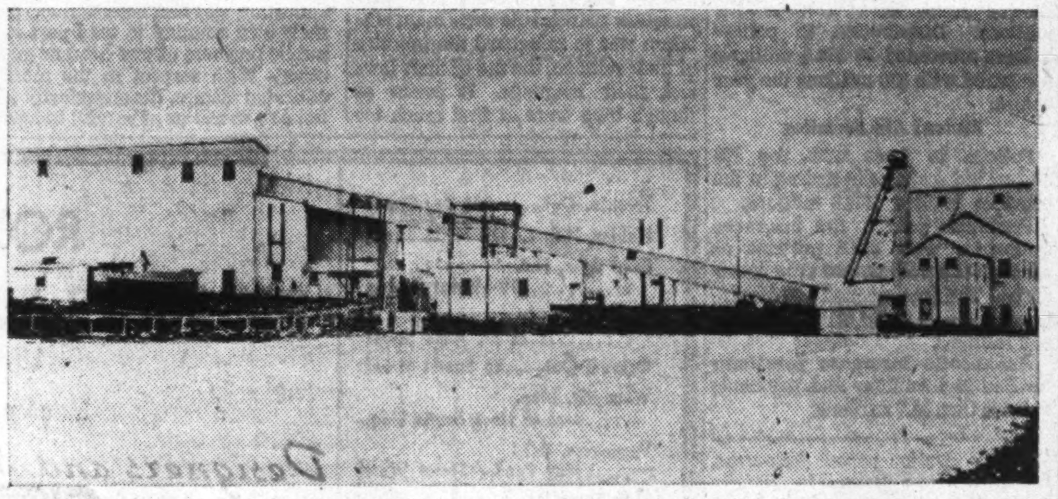
Work has lately extended ore lengths on some of the upper levels somewhat. At the 1,350-ft. level there is now showing 1,147 ft. of ore averaging $17.50 cut grade over 29 in. On the 1,500-ft. level ore length is 1,113 ft. running $16.10 across 32 in.

On the 1,650-ft. over 150 ft. of ore has been added the past year, bringing total ore length for the level to 972 ft. running $14.35 a ton across 40 in.

Below the second level drilling has given indications of what may prove to be either a new vein or an offshoot of the main vein. Three drill holes have given ore intersections over a distance approaching 100 ft. with one hole running $24.15 across 20 in.

Although earnings for 1940 were below the 52 cents a share for 1939 due to increased taxation, no difficulty is expected in maintaining dividends at the present rate, Mr. Hammell states. In view of exposures in the north zone, Mr. Hammell visualizes a possible doubling of mill capacity, depending on restoration of values at depth on the original Pickle Crow vein and the Albany River property responding to development.

General average grade of ore in the north zone may be lower than the original Pickle Crow vein but increased widths are expected to give much lower mining costs. If ore exposures warrant an increase in mill capacity, a further reduction in per ton costs would appear likely.



A new "North Mine" means more Pickle Crow mill feed.

Uchi Enlarges Ore Sources

Hanalda and Jalda Ore Now Being Treated — Open New Ore Section

Ore for milling is now being drawn from the Hanalda and Jalda shafts for treatment in the mill of Uchi Gold Mines while ore from the newly acquired Grasett property is also expected to be added to the ore supply shortly. Only about a couple of thousand feet of road remains to be completed to the Grasett shaft to allow trucking to be started.

Altogether about 900 tons of rock is hoisted daily at the three shafts, exclusive of the Grasett. A certain proportion of this material is discarded on the picking belt with around 750 tons of ore daily going to the mill.

Eases Main Shaft Burden

Drawing of ore from four shafts, instead of just the main shaft, is expected to lighten the burden of development at the main shaft workings. Lateral exploration at the main shaft has given encouragement recently with new ore being opened up going south at the 800 and 1,000-ft. levels. At the 800-ft. level one shoot shows a length of 30 ft. running $7.27 over 8.3 ft. with a second shoot running $8.45 across 7.8 ft. for a length of 45 ft. Similar ore has been opened up at the 1,000-ft. level while a drill hole put down below the bottom level has given an intersection of $6.56 across 17.5 ft. which speaks well for possible development at further depth in this section.

Production a Record

Production the last quarter of 1940 was a new record at $363,327, exceeding by a small margin the $358,872 recovered from 60,096 tons of ore for an average recovery of $5.97 a ton the previous quarter. Taking in the scope of operations at the new shafts, overall costs of around $4 a ton are anticipated for the current year. However, operating costs are lower than total costs and it is operating cost rather than total cost which is important in determining working capital position.

Seek Magnesium Under Salt Flats

Transcontinental Resources Interested in Utah Undertaking

Preparations are now under way at Bonneville, Utah, for installation of a pilot plant to recover magnesium oxide from brine deposits underlying salt flats, a project in which Canadian-owned Transcontinental Resources has a substantial interest.

Process to be used for recovery of magnesium oxide from the brine (with metallic magnesium obtained from the oxide) involves production of eight tons of hydrochloric acid for each ton of magnesium oxide. A market for the acid will be provided by acquisition of large deposits of low-grade phosphate near the Bonneville deposits. Application of the hydrochloric acid to the phosphate will produce a superphosphate, a readily marketable fertilizer for which there is a consistent demand, it is stated.

Investigate Lythium

Another possible by-product is also being investigated in metallic lythium, a metal which is expensive due to the extremely limited supply. Research work is also being conducted along other lines on the brine which is stated to be rich in commercial chemicals.

Over 30,000 tons of potash were produced in 1940 and preparations now in hand will step this up to about 50,000 tons in the current year. This is the first of the Bonneville brine products to reach important production. Succeeding years are expected by the management to see an increase in the number and value of chemicals and metals produced.

On incorporation, Transcontinental Resources took over 58,919 shares and $49,550 of notes of Bonneville Ltd. valued at $167,388.

EAST CREST ISSUES SHARES

On May 20, 1940, 50,000 shares were issued by East Crest Oil Co. to Roy Roberston, Toronto, with the company inadvertently neglecting to notify the Exchange. Issued capital is 1,823,587 shares, leaving 1,176,413 in the treasury.

Beattie Operating Net Higher Last Quarter

An increase in operating profit to $271,167 was experienced by Beattie Gold Mines the last quarter of 1940 compared with $255,843 the last quarter of 1939.

Gold production showed a considerable increase, amounting to $700,461 from 158,600 tons of ore as against $635,519 from 155,100 tons of ore in the corresponding period of 1939. Operating costs showed little changes with the exception of taxes which increased from $26,000 to $75,000.

OPTION EXTENDED

Vermilata Oils advises the Toronto Stock Exchange that balance of Jan. 20 installment, comprising an option on 163,780 shares under the option agreement with Wilmington Traders Ltd. has been extended to Mar. 20, 1941.

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Mining Enquiries

Bralorne Mines

What is your idea on the trend of earnings at Bralorne Mines during the past year? Does the company appear to have a profitable future?

Although production at Bralorne Mines in 1940 was greater than in any previous year of the company's history, net earnings may be slightly below the $1.49 a share record of 1939 due to sharply increased taxation. However, after allowing for payment of dividends totalling $1.20 a share, working capital, which amounted to $1,655,897 at the end of 1939, is expected to show a considerable increase for 1940.

Ore reserves of Bralorne showed a steady increase from 1935 to 1939, and it is understood that this trend continued in 1940. Based on the current milling rate, ore reserves are close to four years' milling requirements. Completion of a large shaft-sinking programme is expected to allow the company to extend exploration in 1941.

Lake Shore

What is happening with Lake Shore Mines? Does the company seem to be running out of ore or what is it that is keeping dividends down?

Difficulties arising out of rock burst problems encountered at depth have seriously interfered with the production programme of Lake Shore Mines. Output last quarter showed a still further decline. While the company has still an ample supply of high-grade ore and exploration at depth has indicated the downward extension of good grade ore, it has become necessary to mill a smaller tonnage in order to minimize the risk of miners' lives. The company has research work under way on the rock burst problem and it is possible that better mining methods may be worked out.

Prior to the war the company followed a policy of paying out in dividends somewhat more than was being realized as net profit. Regulations of the Foreign Exchange Control Board now prevent the company paying out in dividends more than is being realized as net profit and this is undoubtedly holding down distributions to shareholders. Dividends are now being paid at the rate of 50 cents a share quarterly, but payments may be expected to rise and fall from time to time with any change in the production rate.

Company Reports

Hudson Bay Mortgage

Hudson Bay Mortgage Co., Vancouver, reports net profit of $656 for the year ended Dec. 31, 1940, compared with $1,141 in 1939.

Assets carried in the balance sheet totalled $89,903 at the end of 1940, compared with $84,127 at the close of the previous year. Reserve for losses on properties offered for sale at less than book value amounted to $6,443 as compared with $6,746 a year earlier.

Annual meeting is called for Feb. 18, 1941, at the registered office of the company in Vancouver.

Shareholders Position
As at Dec. 31

	1940 $	1939 $
Net profit	656	1,141
Deficit forward	14,438	14,923
Reserve	6,443	6,746

Preferred dividends are in arrears since June 30, 1934.

Canada Trust

An advance of $1.2 million in estates under management was shown in the 39th annual report of the Canada Trust Co., subsidiary of Huron & Erie Mortgage Corp., for the year ended Dec. 31, 1940. After allowing for an increase in Dominion and provincial taxes from $12,762 in 1939 to $23,531 in 1940, earnings dropped to 10.68% of paid-up capital. During the year dividends at the rate of 8% were paid, compared with 10% in 1939, when earnings were 12.17% of capital paid up.

General reserve fund was decreased by $150,000 as a result of the transfer of this amount to internal reserves. Real estate held for sale fell during the year by more than $80,000 and mortgages were reduced $272,000.

Annual meeting will be held at the head office in London, Ont., Feb. 12, 1941.

Earnings Record

Year	Paid-up Capital & reserves $	*Net profit $	Div. rate $	*Rate earned per sh. $
1936	1,750,000	110,306	10	11.03
1930	1,750,000	104,208	10	10.42
1938	1,750,000	123,204	10	12.32
1939	1,750,000	121,675	10	12.17
1940	1,600,000	106,804	8	10.68

*After all charges and taxes, but before allotting $19,500 to pension fund in 1939 and 1940 and before donation of $1,000 in 1939, $1,350 in 1940 to war charities.

Creditors' Position
As at Dec. 31

	1940 $	1939 $
Trust funds & int.	7,651,054	7,742,417
Secured by:		
Liquid assets	1,649,849	1,468,613
Mortgages & int.	6,001,205	6,273,804
Other net assets*	1,668,375	1,812,421
	9,319,429	9,554,838
Estates, etc.	28,186,385	26,955,141

*After deducting dividends payable, provision for taxes and officers' pension fund.

Can. Invest. Fund

Canadian Investment Fund Ltd., reports net income of $380,024 in the year ended Dec. 31, 1940, compared with $388,010 in 1939.

In 1940 the company issued 103,021 shares for $352,156. Of this amount $249,135 was credited to surplus. There were 217,410 shares redeemed and cancelled, reducing special stock outstanding from 2,388,135 shares to 2,273,746.

Cost of securities on the company's books at the end of 1940 totalled $8.1 millions, compared with $8 millions at Dec. 31, 1939. Market value of the securities declined from $9.1 millions to $7.4 millions. Net unrealized depreciation in 1940 was $708,083.

Net profit was equal to about 16 cents in each year on the capital stock. Payments of 16 cents were also made in both years.

Per share net asset value of $3.44 at Dec. 31, 1940, was 16.49% lower than at the end of 1939, but 11.58% higher than at June 30, 1940.

Income and Distribution Account
Years Ended Dec. 31

	1940 $	1939 $
Total income	443,802	422,614
Less: Expenses	16,709	17,449
Income tax	47,069	16,380
Net profit	380,024	388,785
Less: Dividends	382,072	360,470
Surplus for year	*2,048	28,315
Add: Prev. surplus	142,659	113,214
Subscr. to cap. stk.	3,370	11,233
Transfer from profit on sale of secs.	13,546	60,774
Less: Redempt. prem.	7,027	2,949
Mgmt. compensation	6,772	30,387
Directors	6,773	30,387
Prior inc. tax	2,549	7,154
Trans. to surp. acct.	134,406	142,659

*Loss or deficit.

Surplus Account
Years Ended Dec. 31

	1940 $	1939 $
Prev. paid in surplus	6,333,285	5,894,742
Prem. on stk. subscrip.	245,765	929,589
Distribution acct. bal.	......	753
Less: Redempt. of stk.	520,087	291,800
Distrib. acct. bal.	224	......
Paid in surplus	6,058,739	6,333,285
Prev. prof. on secs.	49,559	37,516
Year's prof. on secs.	34,685	85,667
Less: Mngmt. comp.	13,556	12,850
Trans. to distr. acct.	......	60,774
Bal. on secs. profits	70,688	49,559
Add: Distr. acct. bal.	133,876	141,906
Earned surplus	204,564	191,465
Total surplus	6,263,303	6,524,750

Balance Sheet Changes

	1940 $	1939 $
Investments at cost	8,100,152	7,971,832
Market value	7,392,069	9,060,286
Cash on deposit	418,337	974,994

Industrial Mortgage

Fifty-first annual report of the Industrial Mortgage & Trust Co., Sarnia, Ont., reveals an increase in the amount and proportion of liquid assets. Liabilities to the public and securing assets both registered a decline, but liquid assets showed an increase of some $227,000.

Net profits, after all charges including taxes, were reduced approximately $4,000 in 1940 as compared with 1939. Dividends of $2 per share were continued, covered by earnings of $2.09 per share in 1940 against $2.42 in 1939.

Earnings Record

Year	Paid-up capital & reserves $	Net profit $	Div. rate $	Earned per $50 sh $
1936	970,000	32,062	2.50	2.52
1937	970,000	26,940	2.00	2.12
1938	970,000	28,538	2.00	2.25
1939	970,000	30,753	2.00	2.42
1940	970,000	26,517	2.00	2.09

Liabilities to Public
As at Dec. 31

	1940 $	1939 $
Guar. invest. certifs.	2,452,255	2,512,310
Deposits	1,197,720	1,232,660
	3,649,975	3,744,970
Secured by:		
Liquid assets	1,727,736	1,500,881
Mtges. & int.	1,922,239	1,975,589
Other net assets	1,000,298	1,317,681
	4,650,273	4,794,151
Estates, etc.	1,061,663	991,148

Waterloo Trust & Savings

In presenting the annual report for 1940 of the Waterloo Trust & Savings Co., Ford S. Kumpf, president, states that guaranteed funds have increased $105,000 and estates under management $399,000 during the year.

Although net earnings increased slightly over 1939, a rise of $8,400 in taxes effected a reduction in net profit available for distribution to shareholders. The company continued to add to its contingency and special reserves, $41,000 having been so allocated in 1940 as against $50,000 in 1939.

The net increase of $105,000 in liabilities to the public was reflected in a rise of $127,000 in assets.

Earnings Record

Year	Paid-up capital & reserves $	*Net profit $	Div. rate $	*Rate earned per sh. $
1936	1,400,000	99,929	5	9.99
1937	1,400,000	105,071	5	10.51
1938	1,400,000	106,853	5	10.69
1939	1,400,000	103,819	5	10.38
1940	1,400,000	96,147	5	9.61

*After taxes, but before deduction of contingency reserves and amounts written off fixtures at rate of $3,000 annually.

Liabilities to Public
As at Dec. 31

	1940 $	1939 $
Guar. invest. receipts	4,146,602	4,112,949
Deposits	6,889,352	6,817,146
Total	11,035,954	10,930,095
Secured by:		
Liquid assets	4,412,940	4,550,641
Mortgages & int.	6,623,014	6,379,454
Other net assets	1,442,999	1,421,310
	12,478,953	12,351,405

Brockville Trust

Fifty-fifth annual report of the Brockville Trust & Savings Co., Brockville, Ont., shows increases in assets, investments by the public and in estates under management, in 1940. The last category rose some 16% from the 1939 figure to over $927,000 at the end of 1940.

While earnings advanced nearly $5,000, a rise in taxes from $5,892 in 1939 to $17,850 in 1940 resulted in lower net profits for the year. Dividends of 5¾% were earned by a narrow margin.

Annual meeting will be held at the company's offices in Brockville, Feb. 12, 1941.

Earnings Record

Year	Paid-up capital & reserves $	Net* profit $	Div.† paid %	Rate† earned %
1936	700,000	39,535	5	7.91
1937	700,000	39,243	5¾	7.85
1938	700,000	33,859	5¾	6.77
1939	700,000	36,263	5¾	7.25
1940	700,000	29,146	5¾	5.83

*After income tax. †Based on capital paid up.

Liabilities to Public
As at Dec. 31

	1940 $	1939 $
Invest. certificates	291,200	279,100
Deposits	670,440	657,714
Interest	3,548	3,698
	965,188	940,512
Secured by:		
Liquid assets (net)	304,215	277,876
Mortgages & int.	660,973	662,636
Other net assets*	715,560	715,165
	1,680,748	1,655,677
Estates, etc.	927,223	800,994

*After deducting reserves for taxes and unrealized profits; reserve against mortgages, sale agreements and real estate held.

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Quebec has a distinct type of financial institution; at least for this country. It is the co-operative people's bank or as they are better known within the province, "caisses populaire."

The idea of setting up mutual savings and lending organizations developed many years ago in Europe. There it has been developed on a fairly broad scale. On this side of the Atlantic, however, the co-operative banks have been confined largely to Quebec province.

Within recent years these "co-operatives" have been studied with renewed interest. There is a demand for savings and lending organizations to meet the needs of the person of small income. To meet this need a large number of private co-operatives have been formed of late in Quebec, Montreal, Saint John, Halifax, Toronto and elsewhere. They are, in the main, formed of workers in the same line of business or employed in the same company.

This movement has developed at a rapid rate. For that reason, the organization, function and extent of the people's co-operatives in Quebec is of more than passing interest.

Banks Closely Regulated

Quebec's co-operative people's banks are governed or regulated by the Quebec Syndicates Act, 1906. Their transactions are those of a mutual company, owing to the fact they generally loan only to their shareholders, who also have the right of making deposits.

This dual privilege makes them a savings and credit institution, available to agricultural and industrial at $5, may be paid in installments. at $5, may be paid in instalments. Both shares and deposits may be withdrawn on demand. The liability of each shareholder is limited to his subscription which generally does not exceed $2,000.

The members must reside within the area of the bank's field of operations. The by-laws may, nevertheless, allow those who move to another locality to continue as members of the association but without eligibility to office.

The larger loans are made upon first mortgages and the smaller ones on notes. The capital and interest must be repaid at fixed periods in such a way as to extinguish the debt within a determinate time.

Management Service

These banks are managed by three committees; the board of management composed of from five to nine members, has charge of the general administration of the bank; the committee of credit, is composed of three to four members, examines, approves or rejects loans asked by shareholders; the board of supervision, composed of three members, inspects and verifies the books and documents, ascertains the value of loans and securities required, etc. The manager is the only official who receives any remuneration for his services.

The board of supervision of each of the co-operative banks must have the operations of the bank audited once a year by an inspector of a federation organized under the present law. This audit is made at the expense of the syndicate if it is not already affiliated to a federation. If requested by a federation, a board of management or supervision (by 25 members or by two thirds of the members if there are less than 25), the provincial-treasurer may order such an audit made.

Syndicates are Encouraged

To encourage development of co-operative banks, the Government, in 1932, granted a yearly subsidy of $20,000 to the Quebec Federation of District Unions to foster the founding, maintenance and inspection of such credit societies.

The growth and extent of operations of these co-operative people's banks have been carefully recorded by the provincial government.

The last complete survey shows 338 banks in operation, with 75,419 members. There were, during 1938, over 73,000 depositors and 19,679 borrowers. Loans granted numbered 23,586 and the amount involved was $5,771,429. This represented an increase of 150% in the last five-year period.

Guides To Quebec's Buying Power

	Population latest estimate No.	House-holders 1940 No.	H.I.P. loans $	Auto. reg's. 1939 No.	Tele-phones 1940 No.	Electric meters (domestic) No. 1940	Radios No. 1940	Postal revenues $ 1940	Value of manufact. production $000 1938	Retail sales $000 1938
Quebec	3,210,000	......	9,338,441	222,659	......	......	318,387	......	983,124	651,138
Montreal	900,000	243,918	2,755,134	72,421	187,158	195,484	160,459	5,212,180	474,534	369,471
Quebec	155,000	27,542	420,561	12,318	26,578	25,804	20,716	806,198	31,689	48,172
Verdun	64,144	......	152,778	4,125	......	16,020	......	23,523	1,014	12,774
Three Rivers	44,000	7,112	123,858	2,789	5,766	8,362	4,837	93,782	24,275	10,080
Hull	30,909	6,338	59,512	1,710	3,108	3,379	4,251	44,101	12,057	7,777
Sherbrooke	33,362	7,459	274,385	3,390	6,096	7,421	5,976	142,693	16,271	10,960
Outremont	30,300	......	73,041	2,169	......	6,938	......	45,918	5,724	4,307
Westmount	26,000	......	98,484	3,378	......	6,890	......	52,542	4,422	6,330
Lachine	19,656	......	86,236	1,568	2,245	4,079	2,765	4,928	13,318	5,185
Shaw'gan Falls	17,500	3,339	268,279	1,128	1,966	3,900	2,780	32,245	12,514	3,538
St. Hyacinthe	17,174	3,694	167,229	1,082	2,023	......	2,857	52,911	10,062	4,104
Chicoutimi	14,330	2,561	105,043	744	1,000	2,173	1,832	41,877	790	2,960
Levis	12,000	2,995	63,260	612	1,579	1,639	2,354	33,130	378	2,614
Valleyfield	13,422	2,943	19,200	1,009	1,529	2,797	2,049	21,186	7,964	3,883
Granby	13,128	2,702	69,135	1,453	1,486	2,476	1,114	35,514	10,584	2,169
St. Johns	13,500	2,688	184,983	1,129	2,284	2,464	2,200	39,520	9,415	3,402
Joliette	12,781	2,578	45,080	754	1,363	2,635	1,382	27,971	2,479	3,490
Sorel	11,335	1,729	42,996	575	958	1,994	1,062	24,776	915	2,566
Thetford Mines	12,000	2,586	120,910	994	818	2,281	1,234	23,499	481	1,940
Jonquiere	11,800	......	90,522	577	......	1,966	1,385	13,382	1,331	1,659
St. Jerome	10,323	2,040	47,145	811	876	1,890	1,303	20,984	6,735	1,918
Cap de la Madeleine	11,141	1,992	29,186	555	......	1,988	1,150	9,763	1,371	805
Riviere du Loup	8,500	527	30,150	656	846	1,601	971	24,333	458	2,299
La Tuque	9,500	1,233	160,138	491	645	1,407	673	19,465	4,277	1,631

Hydro Power Use Develops

Quebec Continues to Lead All Provinces in New Developments

Growth of the hydro-electric industry in Quebec has been phenomenal. Hundreds of millions of dollars have been invested in new water developments and extension of transmission and distribution systems. Yet there is no sign of a cessation of this work or that resources of the province have been fully utilized.

Last year 302,790 h.p. of new water power installations were reported for the Dominion as a whole. Of this total, Quebec alone accounted for 236,000, bringing the installed water power in the province to 4,320,073 h.p.

Complete New Plant

St. Maurice Power Corp. completed its new station at La Tuque on the Upper St. Maurice River with four units aggregating 178,000 h.p. operating under a head of 114 feet. This station will provide power for the Brown Corp.'s sulphite pulp at La Tuque and supplement the general distribution of Shawinigan Water and Power Co.

Beauharnois Light, Heat and Power Co. completed last October installation of the tenth unit of 53,000 h.p. in its station at Beauharnois on the St. Lawrence River. Another unit is planned for operation this month and work is proceeding on the 12th and 13th units of the same capacity.

Aluminum Power Co. replaced the runner on a turbine in its generating station at Chute à Caron on Saguenay River, thereby increasing capacity of the unit from 65,000 h.p. to 70,000 h.p.

Provincial Plant Progresses

At the Quebec Streams Commission's development on the Upper Ottawa River, the work inaugurated by the former National Electricity Syndicate progressed steadily during the past year. The plant is expected to be in operation by next August. Its ultimate installation is 48,000 h.p.

A further development in western Quebec is the construction of a small hydro-electric plant, 250 h.p., by the St. Eugene de Guigues Electric Co. at the outlet of Cameron Lake in Temiskaming country. A 50-mile distribution line is being built, to be completed this year, to supply several towns in the area.

Pembroke Electric Light Co. is installing an additional penstock and a 2,200 h.p. unit in its plant on Black River.

Over and above these new installations there has been and is considerable activity throughout the province in the extension of transmission and distribution lines.

Last year Shawinigan completed a double circuit 110,000 volt line, tapped off two of its main Montreal feeders. The line crosses the St. Lawrence River on two towers of 375 ft. in height with a span of 3,900 ft. and will provide additional power facilities for the City of Sorel.

A new 220,000 volt line between Three Rivers and Quebec, to connect the Shawinigan and Saguenay systems, was built for the Aluminum Co. of Canada by the Shawinigan Engineering Co.

Two other transmission lines are under construction to provide additional facilities for the Aluminum Co. of Canada. One, 23½ miles in length, connects Isle Maligne generating station with Arvida and the other, 4 miles in length, conects Chute à Caron generating station with Arvida. Both will operate at 154,000 volts.

Regulate Water Flow

The Quebec Streams Commission has continued to maintain successfully the desired regulation of flow on control drivers through its extensive system of storage reservoirs in various parts of the province. The Commission now controls 17 reservoirs on the St. Maurice, St. Francois, Gatineau, North, Ste. Anne-de-Beaupre, Metis and Lievre Rivers and on Lake Kenogami.

The Aluminum Co. of Canada has commenced construction of a storage dam at the outlet of Manouan Lake, a tributary of the Peribonka River, to lessen spring floods in the Lake St. John reservoir and store 56 billion cubic feet of water to augment the winter flow at the Isle Maligne and Chute à Caron hydro-electric plants.

Much Still in Reserve

Although tremendous strides have been made in the harnessing of Quebec's water power resources, the province still has in reserve many sites which, when developed, will at least double present generating capacity.

There is the Carillon site, between Montreal and Ottawa; the Shipsaw site on the Saguenay, as well as a number of others on the Upper St. Maurice and Ottawa Rivers.

Their development may not be undertaken for some time, but they provide the province with sufficient reserve to take care of all needs for years to come.

Life Insurance Sales Good

Over 25% of Sales in Canada Credited to Province

Slightly more than 25% of all life insurance written in Canada during 1940 was taken up by residents of Quebec. Preliminary returns indicate a total sales volume of around $100 millions for the past year. This is approximately the same as reported the year before.

It is of interest to note the dollar value of new life insurance sales in the province has varied but little in recent years, ranging from a high of $110 millions in 1937 to a low of just under $100 millions over a period of five years.

Trend of Sales

The trend of life insurance sales in the province by months for 1940, with comparative figures for 1939, is shown below:

Life Insurance Sales

	1940	1939
	Millions of $	
January	8,608	8,251
February	8,535	8,307
March	8,673	9,121
April	8,716	7,308
May	8,336	8,028
June	7,907	9,416
July	7,861	8,012
August	6,969	7,553
September	7,465	9,137
October	8,618	8,249
November	9,535	7,674
December	....	9,451
Total	....	100,507

Believe in Insurance

Insurance policies in force in Quebec amount to the huge figure of $1,879,518,149, according to returns from the Provincial Insurance Bureau. A total of 47 life insurance companies operated in the province last year.

Premiums paid to the companies showed an increase of 1.13% to $57.3 millions. Distribution to policyholders amounted to $39.6 millions, compared with $39 millions the year before.

Mutual Aid Societies

Policies in force with the 109 mutual aid societies operating in the province totalled $134.8 millions.

Premiums paid to fire insurance companies were $13.2 millions as against $12.8 millions the year previously. The amount paid out for fire losses dropped $1,687,681 to just over $6.6 millions.

Automobile insurance premiums totalled $5.4 millions and payments to more than $3.7 millions.

French-Canadian Culture

By REV. ARTHUR MAHEUX

Of the French Canadians it may be said there are few peoples in the world about whose cultural life so many discussions have arisen, so many different appraisals made.

The facts seem to justify such a variety of judgments.

The people sent from Old France to colonize the New World came here not for literary or scientific purposes, but to inculcate religion among the Indians and send back riches to the Mother Country. That policy was in itself an obstacle to cultural life.

But from the very beginning the practical purposes were changed to higher ones. A fair number of the priests and of the missionaries, particularly the Jesuits, had received in France a very good education. And then the colonists were drawn, not from the French "paysans," but from the ranks of craftsmen who had at least a deep liking for their craft and some notions of art.

This base material was so good as to warrant trying to create a cultural life, and the Jesuits were daring enough to establish a college for secondary education when the city of Quebec had hardly 200 inhabitants. Later, Bishop Laval gave vigorous impulse to cultural life by the foundation of the "Seminaire de Québec" and of schools for the various crafts.

On the other hand, the governors, the intendants, the officers of the regular troops and the seigneurs had also received an education, which they were able to impart to the people. This explains the presence in New France of rich private libraries and the fact that dramas written by the great dramatists of France were played at Québec almost as a matter of course.

Fought for Rights

When the French Canadians passed under British rule their main ambition was to safeguard the practice of their religion, the use of their laws and their language. It seems as though they were at first much too fearful concerning the English rulers.

Their fright passed with the Québec Act of 1774 and the Constitution of 1791. But then they were assailed by the bureaucracy, a kind of family compact composed of dubious elements—their opposition to tyranny ended with the humiliation of 1837-1838.

Another start had to be made and it came from François-Xavier Garneau, who wrote his famous Histoire du Canada, which inspired so many writers—in fact all the "School of 1860," and through them most of the French-Canadian people.

The establishment of the "Laval University" in 1852 did much to stimulate cultural life, and this would have been a success from the beginning had not the best minds among the French Canadians tried only to copy France, instead of trying to apply French science to the very particular needs of Canada.

Imitation Ended

It may be said today that the era of servile imitation is finished; the French Canadians now want to be themselves in every sphere of activity.

In sciences the French Canadians lagged behind for a period. They did not want a practical education. And, queerly enough, they came to link together literary and speculative education, on the one hand, and scientific and practical education on the other hand.

Durham wrote in his famous report:

> "The great mass of the (French) Canadian population, who cannot read or write, and have found in few of the institutions of their country even the elements of political education, were obviously inferior to the English settlers, of whom a large proportion had received a considerable amount of education and had been trained in their own country to take part in public business of one kind or another. With respect to the more educated classes, the superiority is not so general or apparent; indeed from all the information that I could collect I incline to think that the greater amount of refinement, of speculative thought and of a knowledge that books can give, is, with some brilliant exceptions, to be found among the French (Canadians)."

Science Accepted

The development of the science faculties at Laval University and the University of Montreal is evidence that the French Canadians now accept scientific education as a necessary means of cultural life. The leadership of His Excellency Archbishop Vachon in the past, the present leadership of such very active men as Dean Adrien Pouliot and Paul E. Gagnon, are tokens of an era of progress.

In the field of literature one may notice that the more valuable works recently published are those which keep away from imitation of French productions.

There is truth in the statement made by Durham, that the French Canadians possess "the knowledge that books can give." Of course, such a knowledge is not sufficient for success in life, and there is reason for the leaders of our people to ensure a more practical education.

Faults of Today

If one wants to know what is the main fault with cultural life in French Canada, I think it is the lack of interest in culture of the mass of the people. The people do not read enough, or they read useless stuff. Those who have received a higher education spend too much time in unfruitful activities. Parents do not give enough of their time to their children; they get rid of the children by entrusting them to schoolmasters, as if the schoolmasters could and should replace the parents.

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February Dividends Show 45% Rise Over 1940

February will see a substantial increase in the aggregate dividends paid by Canadian companies over the same month of 1940. The actual gain, according to estimates prepared by The Financial Post, will be about $3½ millions or about 45%, bringing the month's total to $10.3 millions.

For the first two months of 1941 this means a gain in dividend payments of $3.6 millions. With bond interest payments this month, up $7.8 millions over Feb., 1940, Canadian companies will distribute approximately $11.4 millions more in investment income, above the amount paid in the second month of 1940.

Major part of the increase this year is due to the payment by Canadian Pacific Railway of 2% on its preference shares, requiring $2.7 millions. This company did not make any payment in February last yera.

Seven Extras

Altogether, there are seven companies with extras scheduled for payment this month. Leading the list is Steel Co. of Canada which is completing payment of "accumulations" on its common with an extra of $2 a share, requiring $920,000. Other companies distributing extra dividends this month include Canadian Bronze, Canadian Oil Companies, Cosmos Imperial Mills, Dominion of Canada General Insurance, Privateer Mines and Toburn Gold.

One company, Mortgage Corp. of Nova Scotia, has reduced its payment, distributing this time $1.25 a share instead of $1.50.

Monthly Dividends

	1941 $	1940 $
January	23,026,402	22,938,309
February	10,277,668	6,779,319
Total	33,304,070	29,717,628

Summary of February Payments

	1941 $	1940 $
Dividends	10,277,668	6,779,319
Bond interest	20,893,000	13,077,000
Total	31,170,668	19,856,319

Dividend Payments
Industrials and Utilities

Company:	Rate $	Date	Amount $
Ang. Can Tele., pfd.	.68¾q	1	56,787
Ault & Wiborg, pf.	1.37½q	1	6,182
Beatty Bros., 1st p.	1.50	1	15,000
B. C. Tele., 2nd pfd.	1.50q	1	67,500
Blue Ribbon, pfd.	.62½q	1	18,656
Calgary Power, pfd.	1.50q	1	88,500
Can. Bronze	.37½q	1	30,000
Do., extra	.50	1	40,000
Do., pref.	1.25q	1	9,375
Can. Pac. Rly., pref.	2%	1	2,745,138
Coast Breweries	.03q	1	54,154
Conduits National	.25	1	40,200
Cosmos Imperial	.30q	15	30,000
Do., extra	.15	15	15,000
Crown Cork & Seal	.50q	15	50,000
Distillers-Seag., pfd.	†1.25q	1	204,500
Dominion Bridge	.30q	25	154,185
Dom. Tar & Chem., p.	1.37½q	1	69,231
Eastern Steel	1a	1	58,000
Gen. Stl. Wares, p.	1.75q	20	78,750
Gurd, Chas., pref.	1.75q	15	4,200
Humberstone Shoe	.25q	1	5,000
Hyd. Elec. Sec., B p.	.25s	1	168,065
Inter. Metal, pref.	1.50q	1	46,231
Do., pref. A	1.50q	1	21,577
Inter. Utilities, pref.	†.87½	1	86,597
Loblaw Groc. Inc.	†.20q	28	67,298
Ontario Steel, pfd.	1.75q	15	6,304
Paterson, Wm., p.	1.75q	1	656
Penmans	.75q	15	48,388
Do., pref.	1.50q	1	16,125
Power Corp., c.	.15	1	66,952
Prov. Transport	.20s	15	50,000
Quebec Power	.25q	25	138,299
Quinte Milk	.10s	1	3,600
Rolland Paper, c.	.15q	15	9,000
Saguenay Pwr., pfd.	1.37½q	1	68,750
Shawinigan W. & P.	.23q	25	500,997
Simpson,s, pref.	1.62½q	1	182,812
South. Can. Pwr., c.	.20q	15	79,998
St. Law. Flour	.25q	1	9,000
Do., pref.	1.75q	1	10,062
Steel of Canada	.43¾q	1	201,250
Do., extra	2	1	920,000
Do., pref.	.43¾q	1	113,685
Weston, Geo., pfd.	1.25q	1	21,873
Wood, A. & J., pf.	1.75q	1	11,375
York Knitting	.20	15	45,802
Do., 1st pref.	3.50s	15	5,250
Do., 2nd pref.	3.50s	15	10,500
Zellers, pref.	.37½q	1	11,250
Total			6,762,058

Mining Companies

Company	Rate	Date	Amount
Coniagas Mines	.12½	1	100,000
Hedley Mascot	.02q	15	45,282
•Hollinger Cons.	.05	25	246,000
Do., extra	.05	25	246,000
Inter. Nickel, pfd.	†1.75q	1	483,486
Kerr Addison G	.0[illegible]	28	236,515
Leitch Gold	.02	15	57,000
Privateer Mine	.0[illegible]	10	73,622
Do., extra		10	24,540
Toburn Gold	[illegible]	22	55,500
Do., extra		22	37,000
Upper Canada	[illegible]	28	88,590
Yukon Cons. Gold	.10	15	528,245
Total			2,221,780

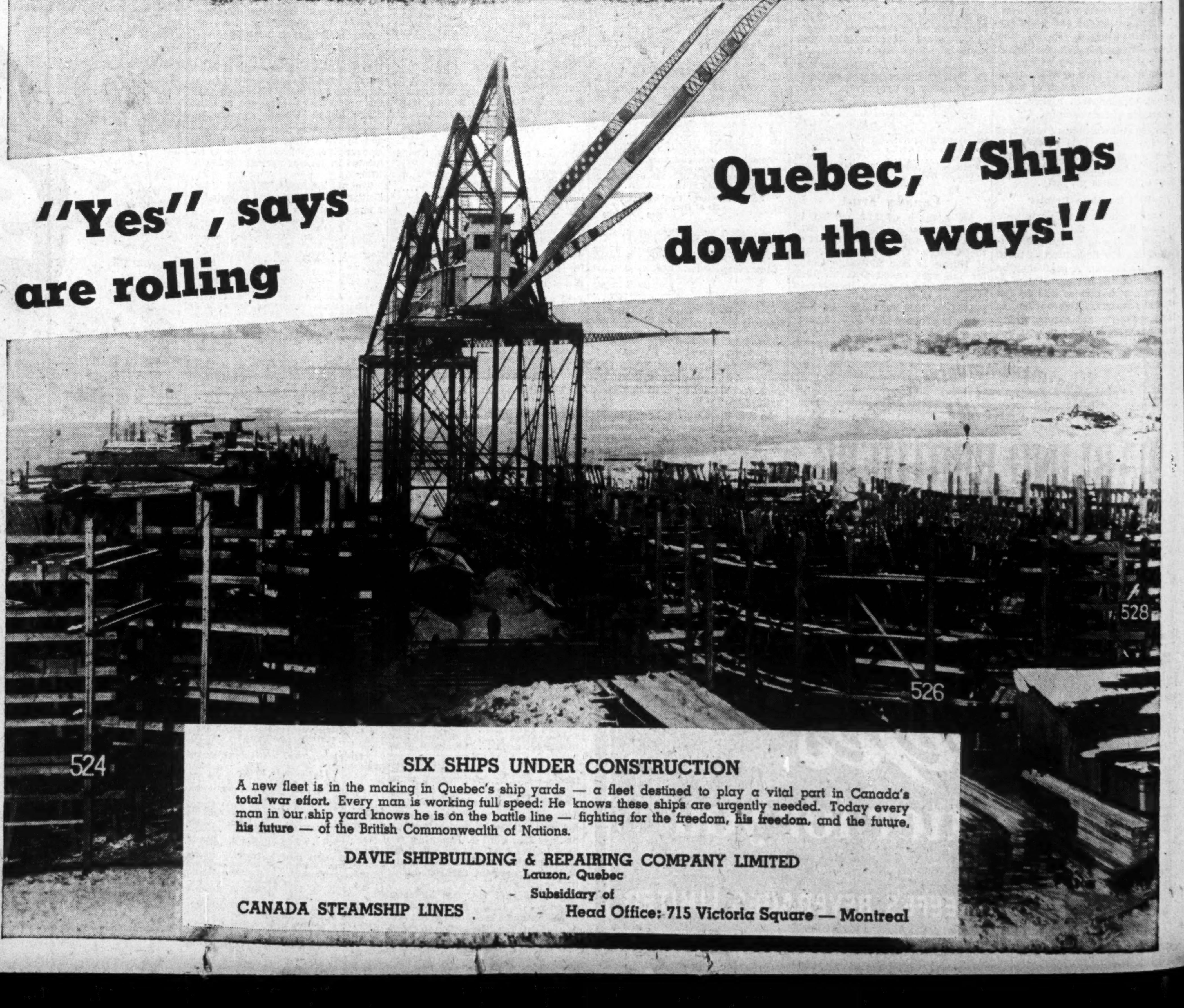
Oil Companies

Company	Rate	Date	Amount
Canadian Oil, c.	.12½q	15	17,970
Do., extra	.12½	15	17,970
Commoil	.01	10	3,701
Federated Pete.	.01	20	14,769
Total			60,410

Financial

Company	Rate	Date	Amount
Can. Bk. of Commerce	.2q	1	600,000
Can. & For. Secs.	.06a	1	10,000
Can. Inv. Fd., sp. ord.	.06q	1	95,565
Can. Investors	.10q	1	26,000
Commonw'th Int'l.	.05q	15	6,535
Corporate Inv., A B	.05q	15	9,928
Dominion Bank	2.50q	1	175,000
Dom. of C. Gen. Ins.	2.50q	1	15,000
Do., bonus	1	1	30,119
Imperial Bank	2.50q	1	175,000
Mtge. Corp. N. S.	1.25q	1	40,000
Northern Mortgage	.50	1	10,000
Sherbrooke Trust	1.50q	1	15,000
United Corp. A	.75q	15	20,115
Total			1,233,420
Grand total			10,277,668

q—Quarterly. s—Semi-annually.
a—Anually. †Payable in U. S. funds.



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Largest Circulation of All Canadian Financial Papers

Vol. XXXV | Member of Audit Bureau of Circulations | PUBLICATION OFFICE: TORONTO, FEBRUARY 8, 1941 | 10c a Copy; $5.00 a Year | No. 6

Quebec Marches on to New Horizons

Province's Increasing Share in National War Effort Helps Bring About a Better Understanding of Position in Canadian Economy

By JOHN E. LANGDON

Eastern Editor, The Financial Post

Quebec marches on to new horizons!

War is always a testing time; it brings out the best or the worst in an individual or a country. With Quebec and the Quebec people it has been the best. Shoulder to shoulder with other provinces of the Dominion, the Ancient Province has rallied to the cause of the Empire. In man power, resources and wealth Quebec has given and continues to give unstinted support.

Few nations are capable of putting forth the war effort undertaken by Canada. It has been made possible by a mutuality of interest: the collective efforts of all nine provinces, whether large or small, rich or poor.

Quebec's contribution has been and is in keeping with the important place it occupies in the federation of Canadian provinces.

The French-Canadian people as a whole consider themselves as being for all time an integral part of the Dominion of Canada. They are for a unity from sea to sea that will make the country strong and outstanding among nations of the world.

Rally to Dominion's Defense

They see in the present war a dire menace to the safety of Canada on which all their hopes for the future depend. Splendidly have they rallied to the Dominion's defense.

From the front line of defense, back through all the various spheres of activity that go to make up the nation's and the empire's war effort, French Canadians are found in altogether fitting number working elbow-to-elbow and heart-to-heart with their fellow-Canadians.

French-Canadian volunteers form a large part of the various contingents that have gone overseas to swell the ranks of Britain's armed forces on land, at sea and in the air. Their record already has become an enviable one.

On the home front Quebec's strong industrial organization is being found one of the Dominion's most valuable assets as a belligerent nation.

Put Resources in Fight

From one end of the province to the other, Quebec is contributing to the nation and to the empire vast quantities of foodstuffs, equipment, supplies and munitions of all kinds.

Production in the rich mining region of the northwest has reached unprecedented levels to meet the war's huge demands for essential metals. Copper, gold, aluminum, zinc and other metals, in important and vital quantities, are being made available by Quebec.

Activity in the forest domain has attained near-record proportions. Lumber for the military camps in England and Canada, cellulose for explosives, newsprint and pulp for essential foreign exchange, are some of the sinews of war coming from the province.

Factories, shipyards, aircraft plants, iron and steel mills, munition plants, etc., are turning out their products at a rate which makes possible the Dominion's boast of being the "arsenal of the empire."

Last, but not least, Quebec's farmers are doing their full share in providing cheese, bacon and other foodstuffs so vital to the well-being of Britain.

Quebec's share in the war to date has been a magnificent one. It is steadily growing in importance. No one can truthfully say that Quebec is not doing its full share in the national war effort. As Hon. Adelard Godbout, Premier of Quebec, has so aptly said:

> "Ties of blood, tongue and religion bind together many of the peoples forming the British Commonwealth of Nations. It is but natural that they should be found shoulder to shoulder in such a struggle as this. The French Canadians, however, are one of the peoples of the Empire who differ in race, language and faith from the majority of their compatriots. And to find them taking their place under the Empire's banner of civilization, as they have done from the outset and are still doing, is a striking commentary on the inherent wholesomeness of our national and imperial constitutions as well as on the French Canadian's loyalty and devotion to his country, his King, and the principle of Christianity."

That is as it should be, but, unfortunately, there is little real understanding of Quebec and its people in other sections of the Dominion.

Intolerance and ignorance, with which are bound up race, religion, language and geographical disabilities, prevent a better understanding.

Of the nine million people living in Canada outside of Quebec, only a few have ever been in the province. Not 5% of these people can read or speak the French language, the common tongue of over 90% of the Quebeckers.

The handicaps of distance and language are difficult to overcome. Still they should not prevent an understanding of this great province and its people, of their ways of living, their culture, and their ambitions.

Outside the province it is a widely held belief that while Quebec is part of the Dominion, yet its people are separatists. Because of their self-interests, they oppose measures designed for the common good of the Dominion. French is their common language and because of that they are, somehow or other, inferior to English-speaking people. They are a backward and priest-ridden people who, and again for some unknown reason, are not capable of enjoying the liberties of Anglo-Saxons.

Fights for Individuality

The French Canadian, on the other hand, has some preconceived ideas about his English-speaking compatriot. Over and above all, however, is the great fear of eventual absorption, the loss of his faith, language and culture.

The French Canadian does not want to lose his language. He is content with his faith. He is proud of his culture.

He believes these are things worth fighting for and will go to any length to retain them. In some instances he has gone to extremes and hurt his own cause, but, at heart, the French Canadian is a Canadian. He wants to be understood. He wants to take his part and assume his full share of responsibility as a citizen not only of Quebec, but of Canada.

In many respects the French Canadian has an understanding of his English-speaking compatriot. Many of them are bilingual. They see and hear English "talkies." Their newspapers are serviced by English news agencies. They do business with English firms. On the whole, they have an appreciation of their English compatriots which is not always fully reciprocated.

Need for Re-appraisal

A better appreciation of the French Canadian can come about only with a more complete and unbiased knowledge of his social and economic background.

This involves, among other things, a new approach to the teaching of Canadian history in the schools of the English-speaking provinces. It involves an appraisal of the social systems upon which this country was established and a re-appraisal of the relations between Quebec and the rest of the Dominion.

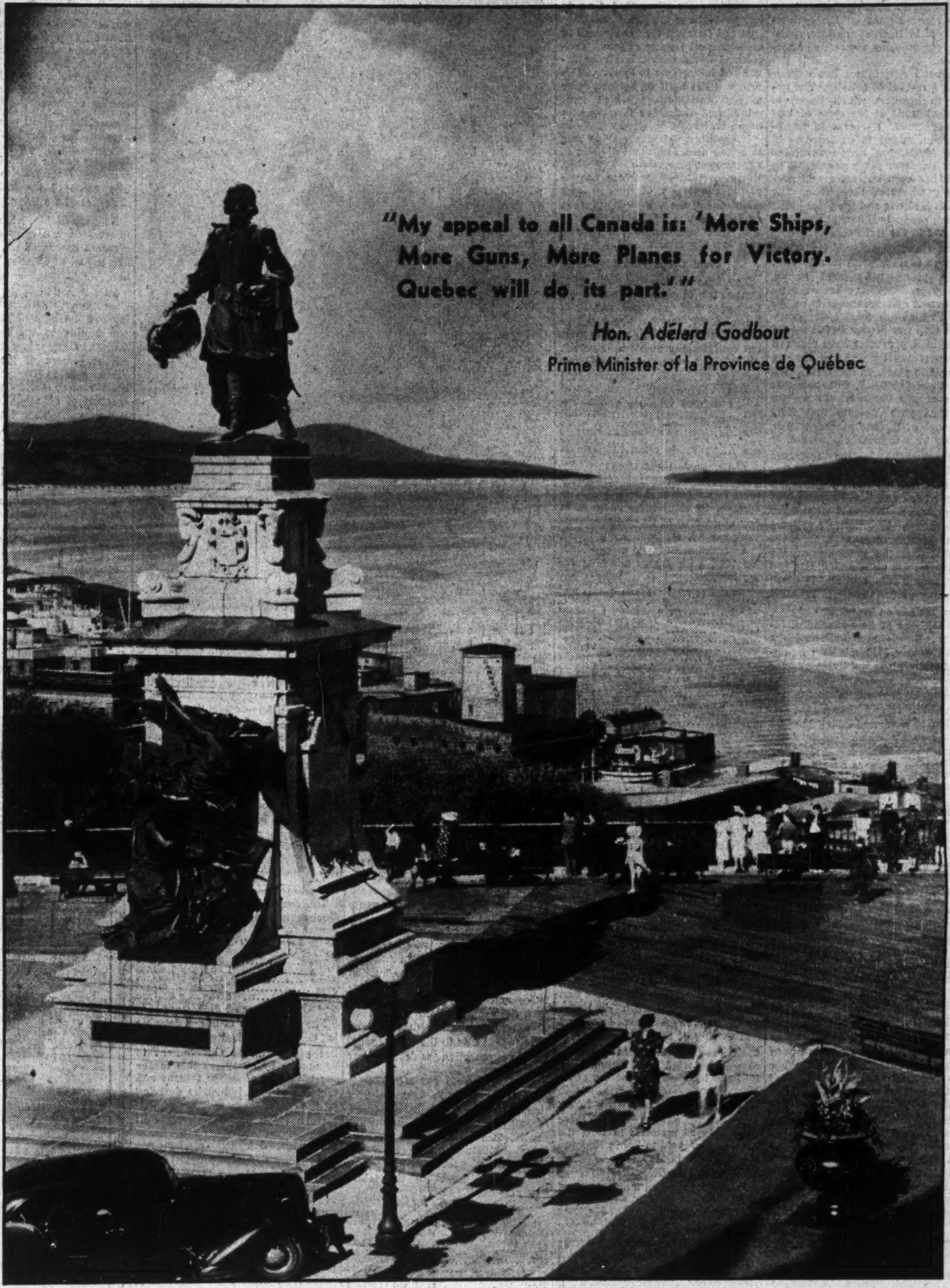
The French Canadian has highly developed communal instincts. The Anglo-Saxon believes in fending for himself, but will work collectively when he believes that it is in his own interests. The French Canadian, however, puts the majority good before his own, as is evidenced in the strong ties which feature French-Canadian family life.

This is a carryover from the old feudal system. In the early days of settlement in Quebec the individualist did not live long. It was only through adoption of feudalism that the colony was able to survive; for in unity and in common interest there was security.

France, the mother country, gave little assistance. It probably took more from New France than it ever put into its settlement. Those Frenchmen who came to settle permanently in Canada had to depend upon one another for their very existence.

Annexed But Not Conquered

Then came the change-over from the French to the English regime. It is the universal belief among English-speaking Canadians that the English conquered Canada. Mention that to a French Canadian and he becomes annoyed. He points out England was at war with France and not with New France. Wolfe captured Quebec City, but New France was not conquered by England; it was annexed.



"My appeal to all Canada is: 'More Ships, More Guns, More Planes for Victory. Quebec will do its part.'"

Hon. Adélard Godbout

Prime Minister of la Province de Québec

Here Canada had its beginning . . . looking down the St. Lawrence from the heights of Quebec City

There is a good example of the basic difference in point of view of the English and French speaking Canadian! The broad-minded Canadian may say it is a very little thing and not worth quibbling over. However, the English-speaking Canadian only too often speaks of Quebec in a possessive tone. The French Canadian resents this attitude and resents it bitterly.

New France was a pawn in the war between England and France. The French Canadian, with his intense love for the country in which he lives, has developed a patriotism of his own. As Premier Godbout said when speaking at a recent joint meeting of the Empire and Canadian Clubs at Toronto: "Our attachment to France is that of the blood, of language, of culture: but our country, it is Canada; our fatherland, it is Canada."

Once English-speaking Canadians understand that point of view, they have gone a long way on the road to understanding the French Canadian. The English-speaking Canadian may look to England, Scotland, Ireland, Wales or a dozen and one other countries as his fatherland, but to the French Canadian Canada is and always will be his father country.

The French Canadian has often been accused of lacking in co-operation with his English-speaking compatriots, more especially in matters of national concern. It depends on whose "ox is being gored." The Quebecker feels that he has always had to fight for his rights. They have been won the hard way, and he is not going to lose what he has gained. For that reason he moves cautiously in matters affecting his constitutional rights.

Cultural Changes Coming

Language and religion, with which go culture, are the most precious things French Canadians possess. They recognize, as they have been so often told by English-speaking Canadians, that for other than cultural reasons, their language is a handicap. They know that in business they are handicapped unless they are bilingual. They appreciate, too, that they cannot expect the rest of the world to learn their language and that in their own interests — a matter of economic survival — they must learn English.

Along with the question of language, the French Canadian is aware that his educational system is out of step with the needs of today. The emphasis on a classical education must give way to more practical training.

Where tradition plays a prominent role, and the people at large are extremely jealous of their rights, reforms must come slowly if at all.

Premier Godbout has told his people what must be done. How courageous and far-seeing his stand has been, few people outside of the province know or appreciate. Some will never know, but his break with tradition may some day be recognized as a turning point in the social and economic history of the province.

Admittedly Quebec has been out of step, or it would be more correct to say that it was not in step with the rest of the Dominion. But the urgency of reforms along certain lines has only crystallized within recent years. Time and conditions are propitious for the change and Quebec embarks on a new course.

The failure of the two great racial groups in Canada to fully understand each other has, at times, made for a cleavage as between Quebec and the rest of the Dominion. It has flared up on different occasions, but through wise leadership has been held in bounds.

The present attitude of the English-speaking provinces toward Quebec can, in large measure, be ascribed to difficulties that arose out of the last war. The manner in which the Conscription Act was handled in Quebec during the last war was sheer stupidity.

When the present war broke out

(Continued on page 28)

Backbone of Quebec's Economy

Third of Population Dependent on Agriculture and Get Income Boost

Farming activity in Quebec over the past year has been closely affected by the special circumstances of the times. The country is at war, and an armed conflict, becoming to any extent general and of more than passing duration, never fails to have deep repercussions on the agriculture of belligerent nations, even those remote from the ecene of hostilities.

Quebec's agriculture has experienced a revival of activity. The upturn in business which began to manifest itself at the close of 1939 has continued. Decrease in unemployment, added to an increase in wage levels, has had a favorable effect on farm product sales. The result has been an increase in purchasing power of the public. The market is strong and the price index of farm products is now at the highest level in the last decade.

Butter and cheese sold in 1940 at a higher average price than in 1939. Cattle prices have held strong. Poultry products have been greatly in demand and producers have obtained good prices. Last year's apple crop was disposed of at a good price. Milk producers have received better returns than at any time in the past 10 years. In short, statistics, soon to be published, will show that the complete statistical returns for the past year indicate that farm revenues of Quebec exceeded those of 1939 by a comfortable margin.

Improvement in the economic position of the farmer is of vital importance to Quebec. Agriculture has always been and is the backbone of the province. Other activities have developed in importance and have even become greater sources of wealth, but the economy of the province rests upon agriculture and will undoubtedly continue to do so for many years to come.

Quebec has an investment of over $900 millions in its agricultural industry. Lands and buildings are worth nearly $710 millions; equipment $70 millions and livestock over $121 millions.

Extent of farm capital in Quebec, with comparative figures for the Dominion as a whole, during the last two years for which complete figures are available:

Farm Capital in Quebec
(In thousand dollars)

1938	Quebec	Canada
Land & Bldgs.	$684,131	$3,271,970
Equipment	72,345	474,990
Livestock	115,226	594,132
Total	871,702	4,341,092
1939		
Land & Bldg.	$709,786	$3,371,018
Equipment	69,912	469,287
Livestock	121,753	657,477
Total	901,451	4,497,782

Half of Population "Rural"

There are roughly three million people in Quebec, and of this number about a third are classified as "rural." This in itself indicates the tremendous importance of agriculture to the economic life of the province.

While love of the soil is deeply ingrained in the Quebecker, the trek from the farm to the city has been going on in Quebec as in other provinces. Of late years it has not been of particular consequence. But in the earlier years the rapid industrialization of the province had a pronounced effect on the balance as between urban and rural population.

In 1871 the rural population of Quebec amounted to 80% of the whole. In 1931 it totalled only 37%. Since then the ratio has been maintained due in large part to the colonization efforts of the Provincial Government.

Because a large percentage of the population "live off" the land, agricultural operations in Quebec are probably more diversified than in any province of the Dominion.

Mixed farming, always stressed as an important feature of sound agricultural development, has been developed intensively in Quebec. This province has built up agriculturally minded communities which have established diversified farming on a broad scale.

If anything, dairying may be said to be the most important division of agricultural operations in Quebec. However, farmers derive a considerable proportion of their income from other sources such as field crops, fruit and vegetables, poultry and eggs, maple products, tobacco growing, fur farming, etc.

Field Crops Valuable

The base of farm operations in Quebec is represented by field crops. Last year field crops had a value of $87 millions. This was about $5 millions less than in the previous year, but considerably above the average prevailing in the past decade. The trend of field crop values since 1931 follows:

Field Crop Values in Quebec

1940	$87,249,000	1935	$83,616,000
1939	92,740,000	1934	98,309,000
1938	86,477,000	1933	67,512,000
1937	81,629,000	1932	70,382,000
1936	91,276,000	1931	72,801,000

Basic Field Crop

Hay and clover represents the most important field crop grown in Quebec. Its value is far in excess of any other crop of like nature. Oats rank second, followed by potatoes.

A breakdown of field crop returns for 1940, with comparative figures for 1939, follows:

Value of Field Crops in Quebec

	1940	1939
Wheat	$ 504,000	$ 508,000
Oats	19,331,000	21,741,000
Barley	2,276,000	2,555,000
Rye	79,000	91,000
Peas	838,000	612,000
Beans	338,000	260,000
Buckwheat	1,354,000	1,607,000
Mixed grains	2,344,000	2,861,000
Flaxseed	213,000	64,000
Potatoes	10,306,000	12,348,000
Turnips, etc.	2,934,000	3,099,000
Hay & clover	43,799,000	44,253,000
Alfalfa	530,000	452,000
Fodder corn	2,418,000	2,289,000
Total	87,249,000	92,740,000

Dairy Industry in Lead

Quebec's share in Canada's dairy industry ranks second in importance only to that of Ontario. As early as 1629 there were 70 head of dairy cattle on a farm situated at Cap Tourmente. By 1667 the number of cattle in New France had grown to 3,107. Up to the middle of the 19th century progress of the dairy industry was slow. Butter and cheese were produced on the farm and in 1861 Quebec produced 15.9 million pounds of butter and less than 700,000 pounds of cheese.

The first cheese factory was established at Dunham in 1865 and a syndicate of farmers started the first butter factory in Canada—in 1873—at Athelstan. Another important fact worthy of note is that the first centrifugal separator used in America was imported from Denmark in 1882 and installed in a factory at St. Mary, Que.

Later, however, this industry made rapid strides. While there were only 25 factories in 1870, the number increased to 728 in 1890 and reached 2,142 in 1910.

Consolidate Dairy Factories

From that time on a movement of concentration took place reducing the number of butter and cheese factories to 1,808 in 1920 and 1,179 in 1938. At the latter date there were also 38 skimming and receiving stations, 15 ice cream plants and 51 pasteurization plants and factories of other products.

Though the first settlers came to Quebec over 300 years ago, much of the Province still remains among the best hunting country in the world.

This concentration is the result of the evolution of the dairy industry. Factories situated too closely to one another have merged in order to effect economies and others have been replaced by skimming stations.

Greater Output in 1940

Last year butter production showed an 8% increase, but at the same time there was a 14% increase in cheese production. This augurs well for the future, because it is useless, for the moment at least, to look to exports for the disposal of surplus butter production.

The percentage of milk production delivered to butter and cheese factories and other plants was 15 in 1939, as compared with 17 in 1940. This reflects market demand and government aids to the dairy industry in connection with the war effort.

Output Worth $55 Millions

Value of Quebec's dairy production, according to the latest returns, is well in excess of $55 millions annually. The breakdown of these returns, together with figures showing the trend of production of butter and cheese, is set in the tables below:

Value of Dairy Products

	1939	1938
Farm butter	$2,426,000	$2,740,000
Creamery butter	18,751,300	19,577,024
Farm cheese	28,000	31,000
Factory cheese	3,152,600	3,822,843
Milk	28,867,000	26,597,000
Other products	3,080,000	2,941,167
Total	56,577,900	57,990,034

Quebec Dairy Industry

	—Output in lb.—	
	Butter	Cheese
1939	91,925,000	26,494,400
1938	92,803,453	28,794,124
1937	89,051,923	30,618,479
1936	88,586,024	25,630,881
1935	87,571,096	20,316,992

Cattle raising occupies an important place in Quebec farming. On many farms cattle constitute the main asset.

Nineteen-forty was a banner year in Quebec hog production, 1,582,500 head were put on the market compared with 1,226,575 in 1939.

The importance of the dairy industry shows up clearly in the farm animal returns; milch cows in the province accounting for nearly 25% of all those in the Dominion.

The number of sheep, horses, and poultry also provide ample evidence of the diversification of farm activities in the province.

Farm Livestock Census

The number of farm livestock in Quebec in 1940, with comparative figures for 1939, follows:

Farm Livestock in Quebec

	1940	1939
Horses	304,700	297,100
Cattle	1,794,900	1,816,700
Sheep	648,200	646,700
Hogs	936,900	744,000
Poultry	8,660,700	8,127,800

Other Branches Important

The importance of mixed farming in Quebec's agricultural economy has prompted the Government to encourage by every possible means the obtaining of better returns and creation of new industries deriving from farming.

Quebec farmers also derive considerable revenue from other farm operations. For example, income from poultry is not an unimportant source of profit. In 1939, the last year for which complete returns are available, poultry and poultry products netted the farmers around $9½ millions. Revenue from this source has shown a consistent, though moderate, increase from year to year.

Tobacco, while not a major crop, provided Quebec growers with an income of more than $1½ millions last year. This branch of agriculture has assumed greater importance of late with its placement on a more scientific basis.

Diversity of Products

Fruits and vegetables rank as one of the major divisions of agricultural endeavor, returning an annual revenue of $10 millions. The growing of apples, small fruits, melons and other items particularly adaptable to Quebec growing conditions is of importance in several sections of the province, more especially in the areas around Montreal and in the eastern townships.

Honey, seed, flax, fibre, maple products and wool are other, but minor, sources of farm revenue in Quebec. While they may not have been developed on as large a scale as in some of the other provinces, still they help round out agricultural operations and in some sections of the province are major sources of income.

Special attention was paid by the provincial authorities last year to flax growing. The area cultivated in 1940 was double that of 1939, having increased from 7,000 to 15,000 acres. The value of the harvest is estimated at $1.5 million.

As part of the scheme to revive interest in flax growing, the Government sponsored the opening of a flax school at Plessisville last October.

This is not the only phase of the Government's activities in broadening out the base of mixed farming and adding to the income of the farmer. Other steps taken include encouragement of the growing of green peas in Gaspé; dry haricot beans among market gardeners and erection of an apple-juice plant at Rougemont. This latter development, which came into operation six months ago, got away to an excellent start and promises to become an important outlet for the apple crop.

Beekeeping was the object of a special enquiry on the part of the Government in 1940. A complete survey was made of existing apiaries to serve as a basis for expansion and modernization of this branch of the agricultural industry.

Help Sugar Industry

In the maple sugar industry, efforts of the Government have been directed toward holding the market. This has involved some changes in the manner of production; the employment of instructors to improve the quality of the syrup and sugar and more advanced promotional methods.

On the whole, Quebec Province has a well-balanced agricultural economy; an economy which has given the people on the land a steady and at times a bountiful income.

Quebec Farmers Cash Income Over $100 Millions Annually

Roughly one out of every seven dollars of cash income received by Canadian agriculture in 1940 went to farmers in the Province of Quebec, according to returns of the Dominion Bureau of Statistics. This was a better showing than in 1939 when one of every eight dollars went to Quebec farmers.

Cash income from the sale of farm products for all provinces last year was $714.7 millions. This is the highest cash income since 1929 when sales of farm products brought $922.3 millions. The increase in 1940 resulted from a gain in marketing of livestock and livestock products.

Quebec's Share Big

Quebec's share of the farm cash income last year was $101.3 millions. This contrasts with $89.6 millions the year before and with $73.5 millions in 1936.

The trend of Quebec farm cash income in the last five years with comparative figures for the Dominion follows:

Cash Income—Sale of Farm Products

	Quebec	Canada
	(In Millions of $)	
1940	101.3	714.7
1939	89.6	702.8
1938	85.8	647.8
1937	85.2	640.7
1936	73.5	569.7

In the detailed returns for the Province of Quebec, livestock is shown as the ranking division of agriculture as far as cash income is concerned. Dairy products are next in importance, followed by vegetables, forest products sold off the farm and field crops.

The manner in which the 1940 cash income for Quebec farmers is made up, together with comparative figures for the year before, are set out below:

Details of Cash Income

	1940	1939
	$	$
Field Crops:		
Wheat	390,000	446,000
Oats	2,069,000	2,044,000
Barley	907,000	1,328,000
Hay and clover	644,000	580,000
Total	4,010,000	4,398,000
Vegetables:		
Potatoes	4,018,000	4,458,000
Vegetables	3,500,000	3,565,000
Tobacco	1,733,000	1,656,000
Total	9,251,000	9,679,000
Livestock:		
Cattle	13,808,000	12,034,000
Sheep	1,264,000	1,274,000
Hogs	22,970,000	16,163,000
Poultry	1,532,000	1,353,000
Total	39,574,000	30,824,000
Dairy Products:		
Butter fat	15,510,000	15,577,000
Milk and cream	15,636,000	13,742,000
Total	31,146,000	29,319,000
Fruits	1,515,000	1,718,000
Other Major Items:		
Eggs	2,319,000	2,315,000
Wool	270,000	184,000
Honey	95,000	177,000
Maple	2,142,000	1,718,000
Total	4,826,000	4,394,000
Misc. products	1,806,000	1,606,000
Forest prod. sold off farms	7,830,000	6,380,000
Fur farming	1,310,000	1,139,000
Total cash	101,268,000	89,637,000

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Agriculture in the Province of Québec

Diversified agriculture is one of Québec's mainstays.

Spring wheat, oats, barley, spring rye, peas, beans, buckwheat, corn for husking, mixed grains, flaxseed, turnips, potatoes, beets, hay and clover, fodder corn, alfalfa, etc., are very successfully grown here.

The total acreage under cultivation is 6,103,300 acres.

Last year's Government expenditure for agricultural purposes amounted to $4,204,649.28.

The following table contains interesting data:

Value of field crops	$ 88,376,000.00
Number of farmers	130,000
Area under pasture (acres)	2,861,000
Value of truck crops	$ 7,265,000.00
Value of maple sugar and syrup	$ 3,295,800.00
Value of tobacco	$ 1,655,500.00
Estimated gross annual agricultural revenue	$203,429,000.00
Average value per acre of occupied farm land	$ 40.00
Number of horses	297,100
Do., do., milk cows	1,045,400
All cattle	1,704,600
Sheep	488,100
Farm poultry	7,033,100
Swine	849,500

Cooperative agricultural associations are widespread and well organized, and agricultural education highly advanced.

Department of Agriculture
HON. ADÉLARD GODBOUT, *MINISTER*

From their thrifty French ancestors the people of Quebec have inherited a great skill in buying, and these open markets are a feature of every large town and city in the province. Photo shows Champlain Market, Quebec, the oldest in Canada.

Newsprint Makes Jobs

Manufacture of Newsprint Paper Gives a Livelihood to Thousands

The influence of the pulp and paper industry upon the prosperity of Quebec province is greater than realized. Few people know what operation of a newsprint mill means in terms of employment.

A 250-ton newsprint mill, for example, requires 100,000 cords of wood a year in order to run to capacity. It takes a crew of seven men under a trained forester approximately two months to locate the wood, cruise and map the country, and prepare reports in readiness for operations.

It would take 650 men in the neighborhood of five months to cut and skid this amount of wood, and in the neighborhood of half that number, six months or more to haul, drive and finally deliver this amount of wood to the mill.

Eighty teams will be required during the hauling season, and one half that number during the cutting and skidding season.

The business described, that is, the delivery of 100,000 cords of wood to the mill, represents at this point an expenditure of not less than $1 million, outside of the capital invested in plants.

The wood end of this mill not only represents a $1 million business annually, but also the employment and management of approximately 450 men throughout the year.

At the mill where the wood is delivered, there are approximately 275 men employed.

That is the manpower required for a 250-ton mill. The aggregate capacity of Quebec newsprint mills is nearly 25 times 250 tons daily, providing a source of jobs for up to 7,000 men.

Farm Loan Plan Offers Stability

Government Advances Over $33 Millions to Ease Agricultural Problems

By C. E. GENEREUX

Joseph Gagnon, from l'Islet County, who lives in a small village on the shore of the St. Lawrence, about 50 miles below Quebec City, is typical of the best of the farmers of French Canada who are benefitting by Quebec Farm Credit loans.

He is proud of the fact that not only has he paid all his installments on time, but he has also cut $1,900 off his loan of $5,900, which was advanced to him in Sept., 1937. He keeps track of his affairs with the aid of a much-thumbed little black account book and boasts that in five years his loan will be completely paid up.

Then there is Pierre Gosselin, who has a large farm just outside the Quebec city limits. His loan of $4,700, obtained two years ago, has been reduced to $1,100. He has built a modern barn for 30 head of cattle adjacent to a big dairy, so that it won't be long before he is clear of debt again. These names are fictitious, of course, but they are two actual cases taken from the files of the Quebec Farm Credit Bureau.

The average French-Canadian farmer is a hard working, honest man, very hospitable and naturally thrifty. His thriftiness is evident when one considers that there are 539 "Caisses Populaires" or credit unions in the Province of Quebec alone, with assets totalling well over $21 millions.

Defaults Negligible

The record of the Quebec Farm Credit Bureau to date is exceptional, as with more than 16.000 loans paid out there are only 57 which are 30 days or more in arrears on interest and sinking fund payments, or less than a third of 1% delinquents. The highest number of delinquents at any one time was 93, but this has gradually been reduced, and will be reduced still farther, in spite of the fact that more loans are being paid all the time, which increases the number of installments to collect.

These arrears amount to only $2,533, of which 67% are between 30 and 60 days old. To offset this, the Bureau has collected the regular sinking fund payments amounting to $1,088,734 plus $465,370, representing advance payments on account of capital, or in other words 42% more capital than due on the contracts signed by the farmers.

Opinion in some quarters is that farmers do not meet their obligations and therefore farm mortgages are not a safe investment from the point of view of the investor. This opinion is even more emphatic if loans are made by a Government agency, due to the unfortunate results of similar organizations in other provinces and in some parts of the United States.

Quebec's Farm Credit Bureau has received 39,000 applications since Feb., 1937, and has granted 17,269 loans, amounting to $39,335,514. Cancellations and refusals totalled approximately 17,000. This leaves 12,000 yet to be taken care of, for which the Bureau has about $3 millions at its disposal.

To date the Bureau has paid 16,000 loans amounting to $36,986,514 and holds as security first mortgages valued by the Bureau at $57,500,000, and by the borrowers themselves at $86,549,723. The Bureau also holds insurance policies amounting to $26,840,234. These farmers also have $26,514,797 worth of cattle and equipment, which although not mortgaged to the Bureau is an additional guarantee of repayment.

Government Helps

The whole cost of the organization is borne by the Government, and the estimated cost to the Government, including a loss of 1% in interest will be in the vicinity of $325 per $1,000 loaned (exclusive of capital losses) spread over a period of 40 years, or slightly over $8 per year per $1,000. The 1% interest loss is due to the fact that the loans are made to farmers at less than the Government has to pay on its borrowings.

This cost may seem high at first glance but an average loan of $2,500 will keep a family of six or seven persons living on a farm in comfort and security and doing productive labor.

The cost to the Government of such a loan would be $812 for 40 years, whereas the same family would cost between $500 and $600 yearly, if they were living on direct relief in a large city.

Apart from this one must consider the demoralizing effect of direct relief on the younger generation as compared with farm work, where every member of the family has his or her share in the daily chores. This is no small item as the families of the borrowers whose loans have been paid are made up of 37,904 boys averaging 13 years of age and 33,642 girls averaging 12 years of age.

The success of the Bureau is evident and is due to several reasons, partly because of economic conditions, but principally to the fact that the management has sought to operate it on a business rather than a political basis.

The economic factors which should assure the continued success of the Bureau are threefold:

1. It was founded in 1937, when the value of the farms was the lowest in years.

2. The increased value of agricultural products due to the war, which in turn will increase the farmers' power of repayment and the value of the farm mortgaged.

3. The decrease in capital investments due to the regular sinking fund payments and the advance payments on capital.

Set Up Safeguards

One other item of great importance is the procedure followed by the Bureau to safeguard against making bad loans, which is as follows:

1. A preliminary report is prepared by a local representative who though not always an expert evaluator, gives a very good report on the moral standing of the borrower in his own community. This report is studied by an agronomist and a practical farmer and checked by them with the information given by the borrower in his original application.

2. In most cases, except where it is self evident that the risk is exceptionally good, the farm is visited by a regular and qualified inspector.

3. No one may obtain a loan of over $6,000 nor may a loan exceed 65% of the value of the farm as set by the Bureau. The Bureau may loan 75% of the valuation, however, where a farmer's debts are greater than the amount which the Bureau may loan, and the farmer's creditors have accepted a compromise.

4. Every loan must pay all the borrower's debts and should he require more cattle or if his buildings are in disrepair, the Bureau sets aside the amount necessary and pays for the purchases on certified invoices, after they are approved by the borrower.

5. All cheques are made payable to the borrower and to his creditors and must be endorsed by both.

Few Repossessions

The Bureau has repossessed so far only 25 farms cf which 23 were resold immediately, leaving a balance of two still belonging to the Bureau.

The capital losses of the Bureau for the four years operations amount to less than $1,700 and it is also worthy of note that the total sales price of the farms sold privately by the borrowers comes within 5% of the valuation of these farms as set by the Bureau.

Atlantic at Doorstep

Quebec's Fisheries Among Most Extensive In World—Livelihood for 15,000 Workers

Fisheries of the Province of Quebec are numbered among the most extensive in the world. This statement should be qualified by saying that the fishing industry of Quebec is relatively unimportant, though it is a means of livelihood to some 13,000 to 15,000 people.

The Atlantic Ocean lies at its doorstep, but fishery operations have never assumed the importance in Quebec that they have in the other coastal provinces of the Dominion.

The old country French are noted fishermen. It is surprising that the Quebecker has not taken to this form of economic endeavor in the same way as he has in other fields. The land, however, has proved the greatest attraction.

$3 Millions Invested

Interest in Quebec fisheries lies along the north shore of the Lower St. Lawrence and around the Gaspé peninsula. The industry has been developed quite extensively in that section, nearly $3 millions being invested in vessels, boats, nets, traps, etc., used in primary operations of catching and landing the fish and in fish canning and curing establishments.

The value of the catch naturally varies from year to year, but in the last two years has averaged around $2 millions annually. This represents about 5% of the total Dominion catch.

Much Equipment Used

While not a major economic activity, the extent of the equipment used in the fishing operations is quite impressive.

Capital invested in the primary operations amounts to nearly $2.3 millions and in fish canning and curing establishments $400,000, making an aggregate investment of $2.7 millions.

This investment is represented by a wide variety of equipment: 140 fish canning and curing establishments; over 2,600 motor-driven boats; an equal number of sail and row boats; 15,000 fill nets; 18,600 hand lines; 180,000 lobster traps; 2,300 small fish and smoke houses, together with a great variety of seines, weirs, nets and other types of gear.

The Provincial Government has interested itself in improving the lot of the fishermen. It has encouraged organization of fishermen's co-operative societies, which have greatly contributed to the improvement in the quality of the fish marketed in the province and exported to outside markets. Before establishment of these societies, fishermen sold their cod without grading. Now government inspectors are appointed to examine the catch.

The Government encouraged these societies and development of sea fishing in a practical way. In 1937-38, the last year for which returns are available, $481,853 was spent for sea fisheries, including $200,000 capital expenditure for the construction of freezers and ice houses. A further sum of $14,965 was distributed to fishermen as special bounty.

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The challenge to the country's telephone industry was met speedily and efficiently. Where the reserves of telephone plant were not adequate, new facilities were provided without delay.

In the Province of Quebec, new and projected telephone extensions have involved many major projects.

During 1940, over 10,400 telephones were added to Quebec's total, with a comparable increase in the use of Long Distance service. Inadequate telephone facilities were replaced in many important towns and cities, including, among others, Shawinigan Falls, Grand'Mere, Farnham, Magog, Beloeil and Huntingdon.

Meanwhile, the standard of telephone service continued high. Costs to the user have encouraged a steady and consistent development of the service.

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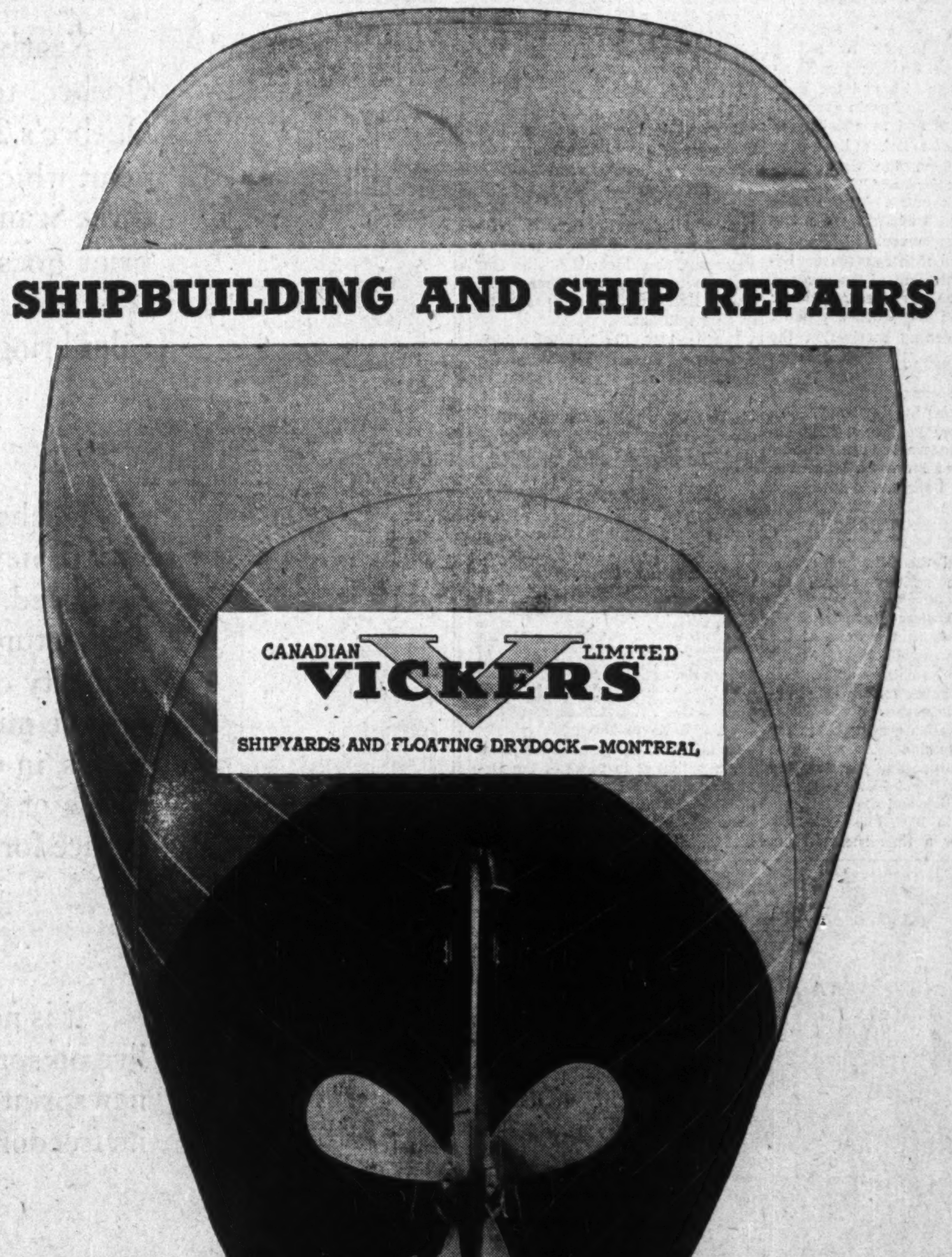

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Quebec's forest industries, directly and indirectly, create over $100 millions of new wealth each year. No other province in the Dominion approaches this figure.

Not only does Quebec head the list for both value and volume of output, but leads in quantity of production of pulpwood, firewood and fence rails.

It comes second on the list for quantity production of sawn logs, posts and wood for distillation, and third for poles.

It is the centre of the world's newsprint industry.

It produces more rayon pulp than any other province in Canada.

It is the only province in Canada manufacturing Cellophane.

It leads in the manufacture of kraft paper, as well as being a substantial producer of other and finer grades of paper.

During a normal year the timber cut in the Province of Quebec amounts to over two billion feet board measure, of which quantity about three quarters represents spruce and balsam.

Of the annual cut around 55% is manufactured into pulp and paper; 24% sawn into lumber and the balance otherwise disposed of.

Operate Over Wide Area

Operations are carried on in practically every section of the province, but principally in three well-defined areas which are also centres of pulp and paper manufacturing. To the north is the Lake St. John-Saguenay region; in the centre of the province, the St. Maurice Valley; and to the west, the Ottawa-Gatineau sections. In between, moreover, there are a number of important lumbering districts, such as the Eastern Townships, the north shore of the Lower St. Lawrence, the Gaspé Peninsula, etc.

These operations provide a livelihood for a large percentage of the population. It is estimated that at least 30,000 workers are directly engaged and the amount paid to them in salaries and wages each year exceeds $40 millions. These figures, of course, do not cover the large number of people who are indirectly dependent upon the forest industries for all or part of their living.

Helps Other Provinces

The extent to which operations are carried on, therefore, has an important bearing upon the whole Canadian economic structure. For example, Quebec's pulp and paper exports contribute a very large share to Canada's favorable balance of trade. Moreover, when conditions are good in Quebec's forest industries as they are now, Ontario's manufacturers benefit by selling more goods to Quebec; the Maritimes sell more fish and the West sells more beef and grain products.

The richness and accessibility of Quebec's forest resources have been recognized from the days when Jacques Cartier and Champlain came to the country. All the early explorers and travellers were tremendously impressed.

Exploitation of these resources began with settlement of the country. Each year the cut of sawn lumber increased and the Quebec product found a widening market in the United Kingdom, the United States and elsewhere.

Sawmills sprang up in all parts of the province; the Saguenay, Lake St. John, Gaspé Peninsula, St. Maurice Valley, Eastern Townships, along the upper and lower St. Lawrence, and on the Gatineau, Ottawa and other rivers.

Throughout the 19th century lumbering was "big business." For years it constituted the principal source of economic activity within the province.

Navy Fostered Industry

As far back as the days of the French régime Quebec's forests were held to be chiefly valuable as a source of timber for the construction and maintenance of the King's Navy. For half a century after the English occupation Britain retained the same attitude and practice. The needs of the Royal Navy governed all forest policy and exploitation.

Napoleon in 1806, like Hitler today, was for a time successful in stopping the export of Scandinavian timber to Britain. The result was to expand Canada's infant timber trade into the old-time great "square timber" industry. The need of the Navy for masts, spars, dimension timber and planking still remained for a time the dominant factor. This need opened up the vast White Pine forests in the Ottawa Valley. The square timber trade reached its peak shortly after 1860.

Gradually the square timber era was succeeded by the long lumber era, which in turn reached its maximum output in 1909 with a production of approximately five billion board feet.

Today's Giant Industry

Some years before this—in the late 80's—a new branch of the forest products industries was created—manufacture of pulp and paper. While it is true paper was made from wood pulp at St. Andrews, Que., nearly a century ago, it was not until the Laurentide mill was established at Grand'Mère that Canada's modern pulp and paper industry came into being. Conditions were ideal for this development: immense regions of standing timber, good water conditions and, above all, huge supplies of low-cost hydro-electric power.

Under these conditions Quebec's pulp and paper manufactures expanded rapidly and soon were far in the lead of other forest industries from the point of view of the dollar value of production and influence on the social and economic welfare of the province.

Before detailing the extent of operations of Quebec's forest industries, it is worth while looking at the resources which have made them possible.

Huge Timber Area

Quebec's timber area amounts to nearly 260,000 square miles; an area several times the size of the British Isles. Most of this mileage is owned by the Crown; less than 5% being privately owned.

The distribution of the timber area, according to the latest census returns, follows:

Quebec's Timber Area
(Commercial size)

	Sq. miles
Private forests	17,080
Crown (Federal)	264
Crown (Colonization)	2,900
Forests on lots	3,950
Forests leased	77,375
Township reserves	1,230
Domanial forests	2,894
Forests not leased	153,459
Total	259,162

These lands contain an estimated stand of accessible timber amounting to 43,870 million cubic feet of coniferous and 10,306 million cu. ft. of hard woods, or an aggregate total of over 44,000 million cu. ft.

As pulp and paper is now the leading division of the forest products industries, an examination of the extent of operations will convey some impression of the tremendous growth which has taken place since this form of economic activity was initiated less than 60 years ago.

Quebec province today has 44 pulp and paper mills; or exactly 44% of all those in Canada. The capital required in this business is enormous, as evidenced by the fact that the investment in these mills, timber limits, etc., amounts to nearly $310 millions.

During 1939, the last for which complete returns are available, these mills had a gross output of $103 millions, or roughly half of that for the whole industry in Canada.

Principal Statistical Returns

The principal statistics of pulp and paper manufacturing in Quebec during 1939, with comparative figures for the Dominion as a whole, are set out in the following table:

Pulp and Paper Industry

	Quebec	Canada
No. of plants	44	100
Capital	$309,642,235	$597,908,918
No. of workers	15,442	31,016
Salaries & wages	$21,318,707	$44,737,379
Fuel used	$2,921,820	$8,003,467
Power purch.	$11,344,130	$17,091,511
Power used, h.p.	1,037,513	1,912,547
Pulp made	$49,026,966	$97,131,817
Paper made	$87,108,163	$170,776,062
Gross output	$103,564,981	$208,152,295

Ratio to Dominion

Relationship of Quebec's pulp and paper activities to those of the Dominion is probably better set out in the following tabular matter, showing the ratio between the province and the Dominion as to quantity and value of pulpwood, wood pulp and paper produced:

Percentage Relationship Between Quebec and Whole of Canada

	Quantity	Value
Pulpwood used	50.6	52.2
Wood pulp produced	50.9	50.5
Paper produced	50.7	51.0

Over 1,800 Sawmills

Owing to diversity of operations, it is difficult to obtain comprehensive and detailed returns on the extent of lumbering operations. Government returns show that there are over 1,800 sawmills operating throughout the province, with a cut in 1938 of 890,000 thousand cu. ft. and valued at $42.8 millions.

Since compilation of these figures there has been a notable expansion of lumber operations in the province because of war conditions. Capacity operations have been the rule for more than 16 months past. Returns for 1940 are expected to show the cut at a figure substantially higher than has been reported in many years.

The cut in the province for 1938, with comparative figures for the years before, follows:

Quebec Forest Industry

	Quantity M.c.f.	Value $
1938	890,590	$42,182,132
1937	1,050,087	$58,577,529

The long lumber branch of the forest products industries had an output valued at nearly $20 millions in 1938. This was over 21% of the total reported for the Dominion.

The principal statistics on this branch of forest activity are listed below:

Lumber Industry Returns

	1938 Quebec $	1938 Canada $
No. of mills	1,833	3,873
Capital	19,676,396	88,812,313
Employees	8,218	31,182
Wages	3,996,537	23,345,064
Fuel used	101,483	497,242
Materials	11,510,175	52,788,246
Gross output	19,887,902	92,855,906

The amount of capital invested in the long lumber division in 1938 was just under $19.7 millions, compared with $88.8 millions for the Dominion. It is not without interest to note that gross value of output in the long lumber division, as well as the pulp and paper division, is about equal to the capital invested. In other words, in these two branches of industry the capital turns over about once a year.

Particulars of the make-up of the capital investment in the long lumber industry follow:

QUEBEC'S LUMBER INDUSTRY
Capital Invested 1938

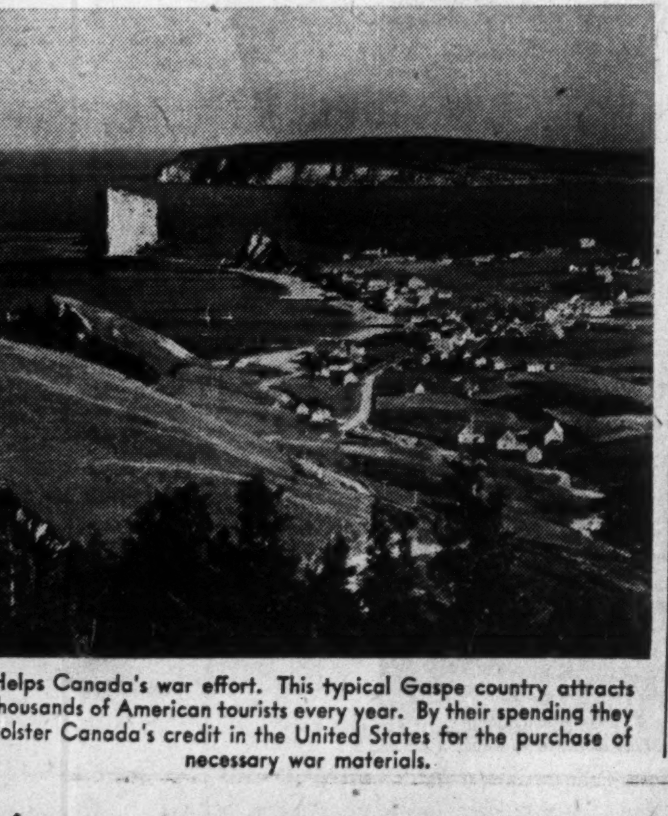
	Quebec $	Canada $
Property	11,742,437	47,373,704
Inventory	6,509,619	30,240,194
Cash	1,424,340	11,198,415
Total	19,676,396	88,812,313

The returns quoted have only to do with the two major branches of Quebec's forest industries. There are a number of subsidiary and minor activities which, collectively, are of considerable value.

The wood-using industries—furniture, hardwood flooring, planing mills, etc., employ several thousand workers and in a normal year have an output valued at around $15 millions.

Pulpwood Trade Extensive

Then there are pulpwood operations. A small army of men are employed in cutting and preparing pulpwood to meet the needs of the province's great pulp and paper mills. In addition there is a large and active export trade in pulpwood. In all it is estimated that over 3 million cords of pulpwood valued at around $30 millions were prepared in the province last year.



Helps Canada's war effort. This typical Gaspe country attracts thousands of American tourists every year. By their spending they bolster Canada's credit in the United States for the purchase of necessary war materials.

QUEBECKERS AND THEIR LIKES

Nearly two million gallons of liquor and wine are sold each year in the stores of the Quebec Liquor Commission. Since 1931 the trend has been in favor of liquor, the latter now representing about 60% of the sales on a gallonage basis.

Volume of Radio Sales Moves Up in Quebec

Radio receiving sets sold in Quebec during the first nine months of 1940 totalled 46,956. This compares with 44,112 for the like period of 1939.

The market for radio sets in Quebec has shown a steady and even sharp expansion in recent years. For example, in 1936 sales numbered only 47,238, whereas in 1939 the total was 71,954.

The trend of sales in the province, in comparison with those for the Dominion as a whole, is shown below:

Radio Sets Sold

	Quebec	Canada
1940*	46,956	232,416
1939	71,954	370,569
1938	48,614	251,259
1937	49,306	365,853
1936	47,238	247,920

* To end of September.

IF YOU LIVE IN QUEBEC

You Live on Spruce

What wheat is to the Prairies, spruce is to Quebec!

In the Prairie Provinces people depend on wheat and they are constantly aware of it. The weather, the market, the railways, the attitude of Governments, anything that may affect the wheat crop and its sale, are matters of daily concern to a Westerner whether he lives in a city or works the soil. He expects Governments to be equally concerned and Governments accordingly have not failed to give wheat problems continuous attention.

In Quebec, spruce is the main element of the great forest industries, the very foundation of the Province's economic existence. Spruce means newsprint, the big product of the forest industries in terms of export sale.

★ ★ ★

Nearly 60 per cent of the Canadian newsprint industry is located in Quebec, to make this Province the great newsprint centre of the world. Quebec's 21 newsprint mills have a productive capacity of 2,500,000 tons a year, which is more than double the capacity of the United States or of the three Scandinavian countries combined. From these 21 mills, Quebec newsprint goes by rail and water to feed the newspaper presses of the world. About 95 per cent of it is sold abroad, chiefly in the United States. These sales bring to Quebec the cash that makes the Province's wheels go round.

★ ★ ★

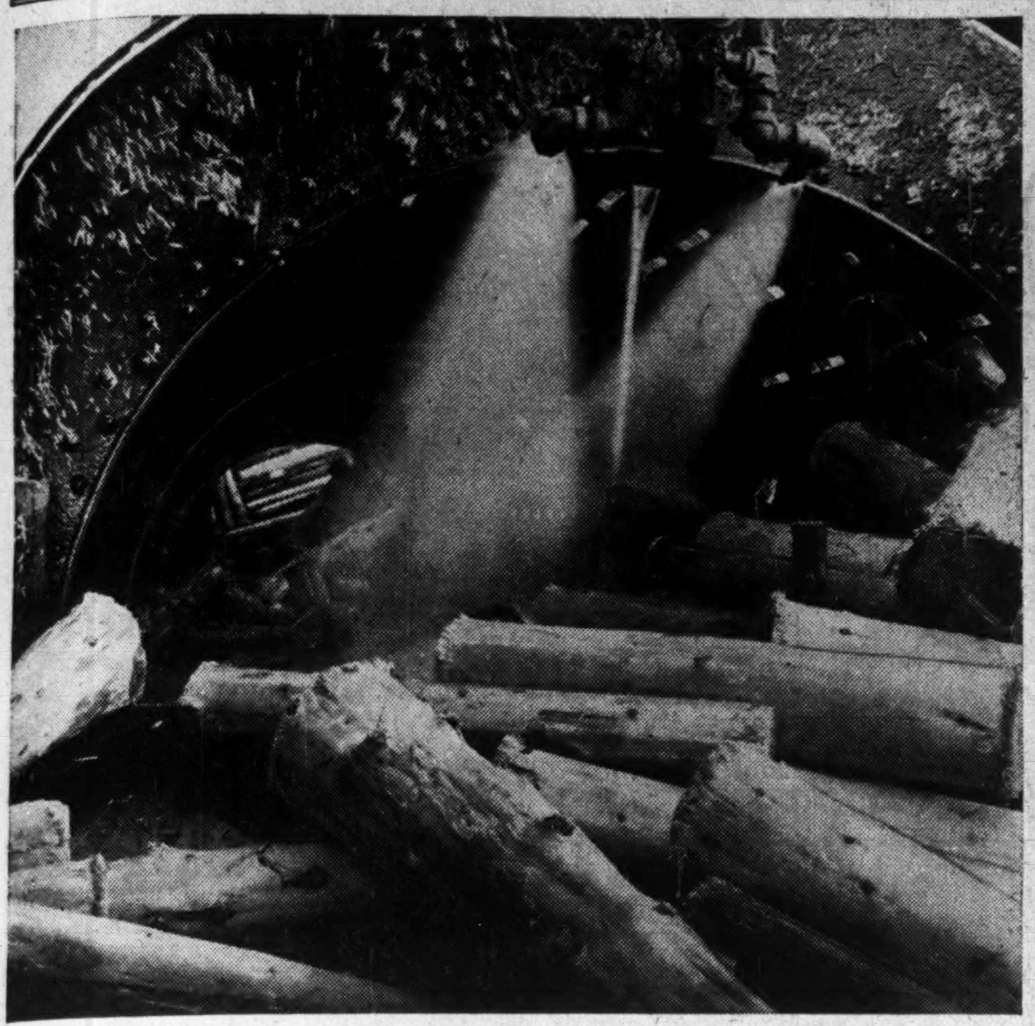
Quebec has a mighty hydro-power development of which it is justly proud; newsprint mills alone consume over 40 per cent of the total power produced. Quebec is properly concerned about agricultural welfare, but agriculture in Quebec is interlocked with newsprint operations for the great majority of Quebec's farmers find at least part of their livelihood in providing the mills with pulpwood. In transportation, in scores of supply enterprises, in wages and taxes, in money to spend in the stores, in virtually every phase of Quebec's daily economy, newsprint and other products of the spruce forests constitute by far the greatest single factor.

★ ★ ★

It is not exaggeration but plain fact to say that if you live in Quebec you live on spruce. It is plain fact that every citizen of Quebec has a stake in newsprint. The stability of this industry, its ability to cope with difficulties, its freedom from hindrance and neglect, these are matters of public concern.

Published by Newsprint Association of Canada on behalf of

NEWSPRINT PRODUCERS IN QUEBEC



—Photo, Margaret Bourke-White

The forests play a major role in Quebec economy, bring new wealth to the province each year, and vital foreign exchange to bolster Canada's war effort. Logs coming through the barking drum at a Canadian International Paper plant.

$96 Millions New Building

Nearly $100 millions was spent on new construction in the Province of Quebec during 1940. This is the largest figure reported in years and was more than 50% greater than in 1939 or 1938 and a third greater than in 1937.

Analysis of the returns, compiled by MacLean Building Reports, shows the sharp expansion in new building last year was almost wholly due to a 600% increase in the volume of industrial building over 1939. This was occasioned by war conditions, much of the building in this particular category being on account of the Dominion Government.

Breakdown of Returns

Of the $96 millions of contracts awarded in Quebec last year, $38 millions came under the industrial grouping; $21.4 millions on business structures; $16.5 millions, engineering projects; and $20.2 millions on residential buildings. With the exception of industrial building, the other classifications show only minor change in dollar values from those reported in the previous year.

Compared with the returns for 1937—the high of recent years—last year's building values show a moderate gain for residential; an increase of about 40% in business building; nearly 300% in industrial structures and a drop of about 55% in engineering projects.

Most of the new contracts awarded last year were in the Greater Montreal area.

Following is a detailed analysis of the number of contracts, type, and value of new construction undertaken in the Province of Quebec over the past four years:

Construction Contracts Awarded in Quebec

	1940 $	1939 $	1938 $	1937 $
Apartments	4,366,800	4,293,700	2,427,100	2,334,000
Residences	15,828,600	16,104,500	12,617,500	14,187,000
Total residential	20.195,400	20,398,200	15,044,600	16,521,000
Churches	1,267,200	2,971,200	1,865,700	1,055,800
Public garages	644,400	719,400	948,200	918,400
Hospitals	5,372,900	2,828,300	2,776,800	1,693,900
Hotels and clubs	631,000	781,100	797,700	682,100
Office buildings	1,120,800	1,016,200	2,001,600	1,240,200
Public buildings	4,941,300	2,445,500	3,462,100	2,337,800
Schools	3,292,300	3,135,900	5,793,600	3,005,000
Stores	2,383,600	2,205,600	1,668,100	2,120,300
Theatres	169,500	73,100	186,500	576,900
Warehouses	1,530,100	1,007,100	665,800	1,468,500
Total business	21,353,100	17,183,400	20,166,100	15,098,900
Total industrial	38,259,200	5,395,300	5,827,700	10,602,400
Bridges	1,260,700	1,983,100	2,750,100	1,493,300
Dams and wharves	1,156,000	2,320,200	2,644,500	2,399,400
Sewers and watermains	1,355,600	1,992,700	2,256,100	1,690,200
Roads and streets	7,017,100	12,326,500	4,715,900	12,365,100
General engineering	5,729,200	1,247,200	12,373,900	11,770,500
Total engineering	16,518,600	19,869,700	24,740,500	29,718,500
GRAND TOTAL	96,326,300	62,846,600	65,778,900	71,940,800

Train Youths For New Life

Quebec is co-operating closely with the Dominion Government in development of the youth training programme. Following the initial experimental period of 1937-1939, steps were taken to put the work on a more permanent basis. To that end special appropriations were set up by both governments to finance the new and broader scheme.

The aim of the youth training plan in Quebec province is to promote the vocational development of the younger unemployed men and women by training them so that they may find for themselves a place in the economic life of the province.

With this end in view Quebec took steps to organize practical schools and to provide whatever facilities were needed.

Plan's Purpose Broadened

When the plan was initiated it was designed as an unemployment measure. It was recognized that young men and women without proper training would find it extremely difficult to find positions for themselves. While the plan remains basically one of fitting the youth of the province for peacetime work, it has been broadened, because of the exigencies of the war, to training both young men and women for special classes of war work.

The agreement entered into between the province and the Dominion a year ago provides for several schedules which, it is expected, will benefit six or seven thousand young men and women during the 1940-1941 fiscal year.

The scope of this youth training plan can best be envisioned by describing briefly some of the schedules which the Quebec Department of Labor has set up.

The province has established a mine school at Val d'Or. This is not intended as a training centre for mining engineers or even foremen. Rather its aim is to train qualified mine workers. The course covers a period of six months and is restricted to youths of good health between the ages of 19 and 26. Board and lodgings are provided free of charge, while the apprentice is given an allowance ranging from 50 cents to one dollar a day.

A second schedule has to do with the occupational training of young men in urban areas. Emphasis is placed upon employment in manufacturing plants, especially those engaged upon war orders. To that end the province has set up schools for elementary training in aviation motor mechanics and assembling of machines. Another school specializes in the training of young men to engage in the manufacture of heavy artillery, as well as boat construction.

Another branch of work under this schedule is covered by a working agreement with a pottery at Iberville where 40 young unemployed persons of that town have been placed in employment and are being trained as skilled pottery workers.

Special Farm Training

Agricultural training is covered. This has been broken down into a number of special courses: cattle breeding, maintenance and repair of farm machinery; drying cigarette tobacco; inspectors of milk products, farm hands, training to organize and administer rural co-operative societies, training in the preparation and preservation of sea fish, cultivating and drying flax and in the preparation of hemp.

It is also planned, under this schedule, to provide young men in rural areas with training as gardeners, pottery workers, cabinet makers and wood-carvers.

The programme provides for training some 600 young urban and rural women in domestic, hotel and restaurant service. A school for this purpose has been opened in Quebec City. This school also gives training to would-be seamstresses, cooks and in farm housekeeping, gardening, dairy work, canning and weaving.

About 10 physical culture centres have been opened throughout the province to provide physical training over a period of three months to undernourished youths whose health will not permit them to undertake daily work.

Help for Students

Then there is a plan for student aid. Considering the needs of university students and to prevent the less fortunate among them from interrupting their studies, the Provincial Government has submitted a plan to the Dominion Government for approval whereby approximately 60 scholarships would be created with an annual value of $150 each.

The primary objective of this plan, as explained by Hon. Oscar Drouin, Quebec Minister of Municipal Affairs, Trade and Commerce and under whose department the Youth Training Plan is being worked out, is to free the Government from the burden of unemployment by establishing a permanent liaison between employers who need skilled and semi-skilled labor and unemployed youths seeking skilled work.

Sales of Autos 18.5% of Total

Quebec Spends Nearly $30 Millions Yearly on Purchase of Cars

Sales of new motor vehicles in Quebec in the first 11 months of 1940 numbered 21,403 to the value of $25,211,394. This represented 18.5% of the total sales for the Dominion during the same period.

Compared with the like period of 1939, sales from January to November last year show an increase both in number and value of vehicles, but the percentage of the Dominion total recorded a moderate falling off. This was due to a very heavy increase in sales in Ontario.

The record of sales in Quebec, with the ratio to the Dominion total, is set out below:

New Motor Vehicle Sales
(January-November)

	No.	% Dom. Total	Retail Val. $	% Dom. Total
1940	21,403	17.8	25,211,394	18.5
1939	20,158	19.2	23,168,689	20.1

$500,000 OF CANDLES

Manufacture of candles in Quebec represents an annual value of output in the neighborhood of $500,000.

General Trust of Canada

HON. D.-O. L'ESPERANCE, *Chairman of the Board*
HON. DONAT RAYMOND, *President*
BEAUDRY LEMAN, *Vice-president*
RENE MORIN, *General Manager*

Executor - Trustee - Transfer Agent

Capital paid up $1,105,000.00
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QUEBEC
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TORONTO
Joint facilities with
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Quebec Leads Canada in Tobacco Trade

Quebec is the province that gave birth to Canada's tobacco industry, that pioneered most stages in its varied development, and that is still the centre of its manufacturing activity.

The first recorded mention of the use of tobacco in Canada carries back to 1534, when Jacques Cartier saw Indians smoking at Hochelaga, now the site of Montreal.

Up to 100 years ago "tabac canadien," a product of Quebec, dominated the sale of tobacco in Canada. It was in the back shops of Quebec merchants that all the experiments in the cutting and blending of imported leaf were conducted, and subsequently created the demand for what is now known as cut smoking tobacco.

First to Use Machines

Canada's first machine-made cigarettes were made in Montreal. And while naturally there has been some spread of tobacco manufacturing in other provinces, in each of its kinds there is more being manufactured in Quebec today than in all the rest of Canada combined.

Up to 1900 Quebec accounted for two thirds of the pipe leaf tobacco and local types of cigar leaf grown in the Dominion. But supremacy in that branch of the industry has long since passed to Ontario due to the discovery, first, that Essex county was admirably adapted to the growing of Burley tobacco—a type in high favor with pipe smokers—and, second, that the soil and climate of large sections of Norfolk and Elgin counties were ideal for the growing of Virginia or flue-cured type of leaf demanded by cigarette smokers.

It was the latter discovery that brought about a tenfold increase in all types of commercial leaf production between 1900 and 1940 and created a condition under which the domestic production was greatly in excess of market requirements.

Quebec Not Responsible

Quebec growers cannot fairly be charged with anything more than a nominal share of responsibility for this overproduction.

Prior to 1936 their production was confined exclusively to types suitable for use as cigar fillers and for Quebec pipe tobaccos.

The average yearly production for the five years ended 1935 was 6,700,000 lb., valued at $480,000. Not until 1934 was any flue-cured leaf grown in the province, and then only experimentally. The first commercial crop of flue-cured was harvested in 1936, and amounted to only 22,000 lb. During the last four years, however, cultivation of flue-cured tobacco has been greatly extended. Last year it amounted to 5,150,000 lb., valued at $980,000. Meanwhile the production of cigar leaf and Quebec pipe tobacco types had risen to 9,300,000 lb., valued at $920,000.

While Quebec only produced about 15% of the total Canadian tobacco crop, the province can lay claim to manufacturing 80% of all the tobacco offered for sale in Dominion.

Though there are 80 tobacco manufacturing establishments in Canada, the trade is under control of three manufacturers, all of whom have their principal operations in Montreal.

W. C. PITFIELD & COMPANY
LIMITED

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HEAD OFFICE: 235 ST. JAMES ST. WEST
MONTREAL

Offering a Complete Investment Service

Branches:
TORONTO OTTAWA MONCTON SAINT JOHN HALIFAX

GOOD ICE CREAM MARKET

Quebec's liking for ice cream may be evidenced by the fact that approximately $1 per capita is spent on this dairy product each year. Production runs between 1.6 million and 1.7 million gallons, having a value of about $2¼ millions.

Montreal
PRODUCES 61% OF ALL RETAIL SALES AND SERVICES IN THE PROVINCE OF QUEBEC
QUEBEC
THREE RIVERS
SOREL
SHERBROOKE
MONTREAL

All advertisers admit (and rightly so) that Quebec Province is a tremendous market. Greater Montreal is the heart of this market — producing 61% of its total retail trade.

In 1939 (figures for 1940 are not yet available) retail sales and services for the entire province amounted to $633,000,000. Montreal, alone, accounted for $389,102,000.

How much of that Montreal money was spent by French-speaking families? The answer is $217,897,000 or 56% of the total. They spent it for food and clothing—furniture for the home. Luxuries, too, received their share. (52.26% of all the automobiles in Montreal are owned by French-speaking Canadians.) In brief, they spent this money much the same as did their English-speaking compatriots.

What does it all prove? First, that the bulk of Quebec's buying power is concentrated in Greater Montreal. Secondly, that French-speaking Canadians in Greater Montreal—675,000 of them—provide the larger share of that buying power. It is logical to assume, then, that every manufacturer should sell the rich Montreal market **first** . . . and advertise in the newspaper that reaches the French-speaking Canadians, whose spending helps create that market!

The daily average net paid circulation of La Presse is 150,280 (Saturday, week-end with rotogravure 179,504). Its circulation in Greater Montreal alone, is 111,202 — overwhelming coverage of the 675,000 French-speaking people in this rich market, both mass and class — every buying day of the week. No other newspaper — French or English, daily or weekend, offers such dominating coverage of Montreal and the entire Province of Quebec.

For further information, consult your own advertising agency: the advertising manager, La Presse, Montreal. S. L. Rees, 820 Metropolitan Bldg., Toronto, Ont. The Clougher Corporation, 26 Craven Street, London, W.C.2. William J. Morton Co. New York Office: 200 Fifth Ave. Chicago Office: 410 N. Michigan Ave.

LA PRESSE *Dominates* FRENCH MONTREAL

—C.P.R. Photo

White gold in the tourist traffic. Quebec's Laurentians provide unsurpassed skiing and within easy reach of the most populous centres in North America. Here is part of the Sky Line Trail near Lac Beauport, north of Quebec City.

Skiing Develops Into Big Business

Thousands of Skiers Drawn To Laurentian Sports Region

By LEO COX

Skiing in Quebec is now big business, grossing upward of $1 million a year.

This has developed mostly in the past five years. The Ski Club of Montreal, founded in 1904, was Canada's first. But in 1934 there were only 37 clubs in the whole country. Today there are at least 140 clubs.

Last winter, in an 18-week season, 145,000 skiers—or 8,000 a week — were carried by the railways alone to the Laurentian Mountains ski zone north of Montreal, the ski paradise of eastern North America. This meant tremendous revenue to railways, hotels, stores and local people, estimated at $1 million in the main Laurentian area alone.

Excellent work has been done in the United States in publicizing Quebec's winter sports attractions, particularly skiing, by the aggressive Province of Quebec Tourist Bureau. This winter the Bureau is extending its activities to its sister province of Ontario.

Lure of Laurentians

Though Montreal has plenty of good practice skiing and ski instructors, right at its own back door on the crowded slopes of Mount Royal, the ski migration is northward to the Laurentian Mountains. The region starts at Shawbridge, served by both C. P. R. and C. N. R., 40 miles north to Mont Tremblant, eastward to Lac Masson, westward to Morin Heights and Lac Tremblant —600 square miles of ski paradise.

Traditional form of winter travel, the habitant's snowshoe, has been discarded for the ski. The children use skis, often homemade from barrel-staves or boards; they go to school on skis as Norwegians have done for generations. Thus the best competitive skiers are now being developed right in the Laurentians; some have won skiing honors against the best men in the world. The Laurentian Zone of the Canadian Amateur Ski Association has organized ski clubs in all the villages, providing ski schools under qualified instructors and slalom and jumping hills.

The ski vogue has entirely transformed the Laurentians. There are a surprising number of well-appointed hotels, ski lodges and "pensions," to suit all purses. Many of the farmhouses have electric light, running water, and cater to the ski visitors.

A Winter Paradise

Hundreds of miles of well cut and plainly marked trails wander all over the Laurentians, linking up the important centres. Local clubs carry out trail development in summer; ski maps and marked runs make it difficult to get lost. After thrilling days in the deep, rich snow under the brilliant winter sun and in the tonic mountain air, the hotels and lodges are invaded by armies of hungry, elated skiers who do justice to the generous cuisine for which French Canada has long been famous. Evenings are taken up with singing, dancing in ski clothes, telling tall tales around the log fires.

Among the many excellent ski hotels and chalets, one of the show places is Mont Tremblant Lodge, 84 miles north of Montreal. Joseph Ryan of Philadelphia has spent nearly $1 million to build here the leading ski resort in eastern North America. The ultra-modern hotel accommodates 300 guests; the setup includes a recreation centre with dance floor, game room, and restaurants; 40 cottages, a ski shop, stables, a chapel, a Hudson's Bay store. The ski school is in charge of expert ski teachers. A comfortable chair ski hoist takes the ski enthusiast up 3,000 feet to the top of the mountain.

Mont Tremblant is the highest Canadian mountain east of the Rockies and for years has been famous for its downhill ski racing. Here is held the Quebec-Kandahar, the blue-ribbon racing event of Canada, each March.

Another leading resort is Grey Rocks Inn on Lac Ouimet, four miles to the south on the Maple Leaf Trail and one of the most popular in the whole region. Forty miles of ski trails converge at the Inn and at the back door is a 35-metre jumping hill. The ski school here is rated one of the best in the country. Grey Rocks also boasts its own private airport.

Where Variety Abounds

Twenty miles farther south, still on the Maple Leaf Trail, is Ste. Agathe, key town of the region. The Laurentide Inn here, on Lac des Sables, is favored by skiers. The surrounding country is ideal for every variety of skiing: cross-country trails, downhill and slalom hills with ski-tows, a jumping hill near by, and a good ski school.

Trailing down the Maple Leaf again some 10 miles brings the skier to Ste. Marguerite with a rapidly growing colony of good hotels and private ski cabins. Here is found the Chalet Cochand, one of the best winter hotels in the region. Louis Cochand, a Swiss, is a ski pioneer, having started his hotel here in 1914 and has been an indefatigable worker in the development of the sport in the Laurentians. His son, Louis, is Laurentian champion, heads his own ski school. Skiing here is first rate, trails are perfect; a ski hoist to the top of the slalom and downhill, a championship jumping hill near by.

Three miles from the Chalet is Domaine d'Esterel, the modernistic hotel development on Lac Masson built by the Belgian financier, Baron Empain. The hills, the ski-tows, the European style of the place and excellent cuisine, a large log sports house, are the attractions.

Centre of Skiing

Mount Baldy at Ste. Marguerite has a tricky 1,000-foot downhill racing trail. Near by are the jumping hill of the Ski Club and, farther on, a lovely woods trail, Hill 60 with its ski-tow, always popular. The newly reconstructed Alpine Inn has everything the ski enthusiast could desire.

In the St. Sauveur Valley are scores of ski cabins. Great crowds swarm to St. Sauveur week-ends and there are plenty of ski facilities of all kinds. Near by is the Penguins Club, exclusively for women skiers. At the foot of Hill 70 is the Red Birds Ski Club for McGill's racing experts with their own layouts and hills. Four ski-tows serve the various hills. At Shawbridge is the comfortable Laurentian Lodge Club, first ski club in the region.

Other popular ski centres are Val Morin, Ste. Adele, Piedmont, Mont Rolland, Christieville, Morin Heights, Montebello, each with its special attractions and excellent hotels, ski lodges and cabins.

St. Maurice Area

Several other areas in the province are becoming popular for skiing, though not on the scale of the Laurentians. The St. Maurice Valley, about 90 miles from Montreal, reached through Three Rivers, attracts skiers who like their terrain untouched and wild.

Ski clubs have, however, established trails around Three Rivers, Grand'Mere, Shawinigan Falls, and Grandes Piles—good hotels at all these places, also many inexpensive, comfortable pensions. Three Rivers has one of the best ski jumps in all Quebec.

Eastern Townships

Round about Sherbrooke, some 100 miles southeast of Montreal, is a rapidly developing ski country. Only eight miles from the city is Mount Orford Park, one of the best ski grounds in Quebec, with mountain and cross-country skiing combined. The historic Missisquoi Valley, near Abercorn, bordering on Vermont, is only 72 miles from Montreal. Pinnacle Mountain, 1,600 feet high, has trails to tax an expert, right near Eccles Hill, battlefield in the Fenian Raid. Sutton Mountain, 2,600 feet, dominates a snow terrain which is like England under a Canadian winter, claiming trails second only to Kandahar. Sutton has every kind of skiing and is famous for late spring skiing. Hereabouts skiers can enjoy the added spring attraction of joining "maple sugaring off" parties with delicious boiled maple sugar on clean snow, home-made doughnuts and pickles, and ending up with a real country dance. North Hatley, on lovely Lake Massawippi, and Waterloo with Mount Shefford, are other popular ski centres easy to reach from Montreal.

Old Quebec Pre-eminent

Always noted for its winter sports —dog-sled races, tobogganing deluxe, sleigh rides, etc.—Quebec City has taken on a new lease of winter life with the advent of skiing. The Lac Beauport area, a few miles north of the city by motor road kept open all winter, is fast becoming the outstanding ski resort of eastern Canada. Here is a five-month snow season, with late spring skiing available. Six feet of snow and brilliant sun conditions in March and April make this region more attractive than even the upper Engadine Valley in Switzerland.

The Norman-style Manoir Saint-Castin meets all hotel requirements admirably. Twin runs and ski-tows, downhill trail and slalom courses of championship calibre offer fine ski sport. The "sky line trail" from Mount Saint-Castin follows mountain ridges for eight miles, affording panoramic views of the lake district, the St. Lawrence and Montmorency Rivers. From the Manoir one can be sleighed up to the popular Mount Tourbillon layout where the International Collegiate Ski meet has been held on several occasions.

Other ski grounds near Quebec City are the Valcartier, the Charlevoix and Baie St. Paul districts by the St. Lawrence; the Beauce region in the southeast where at Valley Junction a ski-jump and ski-tow now attract hundreds to the picturesque Chaudiere Valley.

A novelty few know of is the summer sand skiing developed recently at Tadoussac and the Saguenay regions where steep sand dunes overlooking the St. Lawrence provide ideal ski slopes.

Where It Started

Until mid-April, the hills of the beautiful Gatineau form an ideal winter playground for the people of Ottawa, within an easy 20-mile radius. Multitudes on skis swarm over the slopes and trails of this convenient area—the whole city goes to the hills. Hotels are few because nearness to the city enables most people to use the city as a base. There are good ski facilities up at Wakefield; and at the famous Seigniory Club, 45 miles down the Ottawa River are skiing de luxe and the Log Chateau. The Seigniory Club's major ski competitions are held in the country lying north of here where schoolboy skiers compete annually for the Club's trophy.

The Ottawa Ski Club, organized in 1919, owns four lodges accommodating 400 skiers, also 400 acres of ski terrain at Camp Fortune, and one of the highest slalom and jumping hills in eastern Canada. Trails cut through thick brush are characteristic of this region,

Gourmets' Delight Eels From Quebec

No one knows exactly where eels come from, but any connoisseur of this food delicacy can tell that the best eels in the world come from Quebec. Mainly from the weirs set out in the river at St. John's, a few miles from Montreal, comes an annual harvest of live eels that put between $125,000 and $150,000 annually in the pockets of fishermen.

Each year the province reports a catch averaging 20,000 cwts., practically all of which is shipped alive in specially constructed boats to New York and other markets, where the Quebec product is highly esteemed.

85% Power Load Used by Industry

Industrial demand accounts for about 85% of all the primary electrical energy sold in the Province of Quebec. This is a higher ratio than in any other province and reflects sales to such large power using industries as pulp and paper, electro-chemical and electro-metallurgical. A breakdown of the province's industrial power load in May, 1940, the last survey prepared by the Public Service Board, follows:

QUEBEC'S INDUSTRIAL POWER LOAD

No. of Clients	Industry	Demand in Kw.	Sales in Kw.h.
18	Newsprint	417,319	253,597,562
8	Pulp and paper...	40,543	22,627,637
9	Electro-chemical & Electro-metal.	316,578	217,150,170
6	Asbestos mines...	25,723	10,285,199
20	Other mines	37,525	22,695,300
12	Textile	38,564	16,461,821
27	Iron and steel....	44,328	11,788,148
21	Chemical, oil refineries, etc. ...	36,073	16,215,542
10	Transportation ..	50,254	8,580,405
4	Waterworks	13,712	7,049,788
133		1,018,619	586,471,542

Recapitulation

Total demand .... 1,360,000 h.p.
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IN CANADA...

Read "The Facts About Baie Comeau and Its Newsprint Industry," a 32-page booklet which deals factually with a situation which has become a subject of controversy in the Press of the Province.

The subject, PRORATION, should be of interest to every Canadian. A copy of the booklet may be secured by writing to

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QUEBEC NORTH SHORE PAPER COMPANY
680 SHERBROOKE ST. WEST
MONTREAL, QUEBEC

The Facts About
Baie Comeau
and Its Newsprint Industry

POWER

The first power plant was established in Quebec in 1890. Developing and progressing year by year, the present power system renders a public service second to none on the continent. Quebec Power Company now owns and operates five power plants, and its transmission lines are interconnected with The Shawinigan Water and Power Company's system. It supplies the cities of Quebec and Levis, and 91 other towns and municipalities in the surrounding district.

GAS

The first gas plant and piping system was inaugurated in the City of Quebec in 1849, when only a few of the principal streets were piped. Today the Company's vertical retort plant is one of the most modern in Canada, and the distribution system covers almost every street in the city.

TRANSPORTATION

The first electric cars started operation in Quebec on July 20th, 1897. The equipment consisted of 36 single truck cars. Today the Company's tramway division operates 67 closed passenger, two observation and 18 service cars and 42 autobuses, while the suburban division operates 6 electric locomotives, one steam locomotive, 12 electric passenger cars, 29 coaches, 126 freight and 8 service cars.

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Quebec's Renaissance

Unique Handicrafts of Province Developing on Larger Scale in Rural Areas

By STELLA LANGDON

Weaving Rounds Out Income

All handicrafts at the start were to supply a home need. Early Canadian communities had to be self sufficient. If the household needed furniture, if the churches needed wood carving or silver; if the family needed clothing or there was a shortage of pottery and deal in the cupboards, the one answer was to make them. Not everyone could make everything, but men and women were extraordinarily versatile in those days. Every little community seems to have been an independent unit where every reasonable demand of the colonist could be supplied. They were self-sufficient independent communities and people. The lighter occupations now called handicrafts were considered relaxations for leisure hours. They brought people together in the evening and so various crafts became associated with pleasure and songs and games.

Handicrafts have flourished in Quebec province for 300 years or more. Many of the earliest settlers were craftsmen; carpenters, locksmiths, armorers, masons. France was several thousand miles away and New France looked to its own resources and ingenuity to supply those things needed to make life more bearable.

Made for Utility

The things they made were for utilitarian purposes; they were not handicrafts designed to catch the eye of the tourist. The carpenter made beds, chests of drawers, tables, cupboards and even turned his hand to carving wood decorations for the church or the seigneur's home. The mason turned his skill of hand to the fashioning of stone and wood. The armorer and locksmith made locks and hardware for the homes of the colonists, and even silver for the church.

What these early craftsmen of Quebec made would be described by the architect of today as "functional." They were designed to do a job. The workmanship was of the best. The models used were those of their own designing or copied from the beautiful designs created in 17th and 18th century France.

Today the work of these early craftsmen are highly prized. Examples of it are to be found in the Provincial Museum of Quebec; the Art Gallery of Montreal; the National Museum at Ottawa; the Royal Ontario Museum in Toronto; the Metropolitan Museum in New York; the Yale School of Fine Arts at New Haven, and the Museum of Fine Arts, of Boston.

Tradition Dies Hard

The introduction of machinery, die-stamping and presses has replaced these early craftsmen. But tradition dies hard in the Province of Quebec. Back in the older settlements and away from the large urban centres, the old-time traditions are carried on. The housewife continues to spin the wool in order to weave tweeds and blankets. Plants and vegetables produce dyes for coloring. At night time the farmer "plays" with his knife and whittles out objects from the pine wood he found on his farm. Or maybe he makes chairs with "racquet" seats; salt boxes, prayer-book boxes, or the score or more little "home-made" objects which are to be found in the average Quebec farm home.

Province Backs Movement

Remembering the well-rounded lives of the early Quebec farmers and realizing the importance of the crafts in the social life of the farmer, Jean Marie Gauvreau, of Montreal, director of the Ecole des Meubles, is one of the most ardent advocates of handicraft education in every agricultural school in the province. He believes that this knowledge, rather than luring the boys and girls away from the farms, will make them more contented to remain there.

This view is shared in large part by the Provincial Government. In connection with the youth training programme, sponsored by the Federal Government, arrangements have been made to provide educational faciilties for a number of youth in pottery work, etc. At the same time girls and young women on the farm have not been overlooked and the facilities provided for them cover a wide range of subjects, including many of the handicrafts.

In addition, interest in handicrafts has been fostered through sectional and provincial exhibitions. Of the latter by far the most outstanding has been the two annual handicraft exhibitions held at Ste. Helen's Island, Montreal. Here, in an old fort, the best workers in the province give a practical demonstration of their skill. Moreover they are ready to tell the casual or interested visitor—of whom there are several thousand at each exhibition — the technical and traditonal lore of their craft. In addition examples of their work are offered for sale.

Rediscover Handicrafts

When the great cities discovered the charm of the country crafts it was necessary for families and sometimes whole villages to set to work and supply the demand. Eventually handicraft centres came into existence. Sometimes these were merely shops that took the farmers' work on consignment. There were innumerable small enterprises with varying standards for the work they accepted and sold.

Then, some years ago, the Canadian Handicrafts Guild came into existence. This organization, the largest and best known handicrafts centre in the province, set itself quite an altruistic task. Its policy is to go into the rural districts and see what is being done . . . encouraging this or soft pedalling that craft according to its merits, advising, encouraging and often teaching. When the Guild buys it pays cash in 30 days. It has done valuable educational work in setting standards so that the hand-made article has all the advantages and more of the machine article. The bedding which it buys must have the correct measurements for city beds. The same for table linen . . . garments must be made according to regulation sizes and goods by the yarn woven to conform to widths demanded by patterns.

Stimulus to Handicrafts

The great stimulus to Quebec handicrafts has come in the last 10 years or so, due in the first place to the heavy influx of tourists, delighted with what they saw of the province's handicrafts and anxious to take "souvenirs" home with them, and, secondly, to the depression which forced the rural worker to look elsewhere for cash income.

It would be difficult to say which of these two factors has played the greatest parts in the renaissance of Quebec handicrafts. However that is neither here nor there. The fact is interest in handicrafts has greatly broadened. The Quebec Government and private organizations have provided educational facilities—both practical and theoretical—for those with an interest in the crafts

Many Excellent Craftsmen

Over the course of years a number of excellent craftsmen have come to the fore in Quebec; many of them have achieved a reputation for their work extending far beyond the borders of the province.

Literally thousands of women and young girls have taken up the weaving of wool and flax linen. Quebec carpets are noted for their originality, brightness of color and fine designs. Table and bed linens rank with the best imported.

While this is the basic form of handicraft in the province, still a number of other branches have been developed, where individual effort is more widely recognized.

In the field of pottery Jean Jacques Spenard, of Trois Rivieres, Larochelle, of Shawinigan and Louis Parent and William Hutchinson, of Montreal, have done outstanding work. They have their own "ateliers" and conduct regular schools of instruction in this form of handicraft.

Wood carving, in particular, has come into prominence. The unique work done in Quebec has appealed to thousands of visitors and resulted in development of a trade of consideralbe importance.

Famous Wood-carvers

There are a number of outstanding wood-carvers in the province. The Bourgault brothers—Medard, Jean-Julien and Andre—of Saint Jean Port-Joli have a reputation for their handicraft. Elzear Soucy, of Montreal, and his pupil, Leo Arbour, of Pointe-au-Lac have done and are doing notable work. Then, too, there is Eugene Leclerc, of Saint Jean Port-Joli, whose model boats are the delight and pride of collectors.

The fine traditions of the early iron workers are being carried on by Hugues Lebrun, of Trois Rivieres. Mention also should be made of Paul Beau, who served an apprenticeship as a silversmith, and later in life turned to the working of iron. He did the iron work in the Parliament Buildings at Ottawa, among other notable jobs. He has just returned to Montreal after having spent some years in France.

Also in the field of metal work is Gilles Beaugrand, silver craftsman of Montreal. He is carrying on the fine traditions of the early Quebec silversmiths and now has a number of apprentices.

Quebec can boast of numerous other exceptionally fine craftsmen (including Pantaleon Ouellet of Saint Roch-des-Aulnaies who makes the old-fashioned spinning wheel), who have done much to stimulate a revival of handicrafts.

Of Economic Value

This is the excellent state in which handicrafts in Quebec find themselves today. Just to give some idea of the economics of this home industry a few figures are interesting. The Quebec Statistical Year Book for 1933-34 reports a membership of 8,877 in the Cercles des Fermieries in the Province of Quebec. Of these members 379 were spinning and 4,939 weaving. They made over $14,000 worth of linen and sold slightly less than 10%. Out of 138,000 pounds of wool produced they themselves used almost 134,000 lb. These workers supplied their own needs first and these figures show that the greater proportion by far of the spinning, weaving and knitting done in the province is for home consumption. Only a small proportion goes to market.

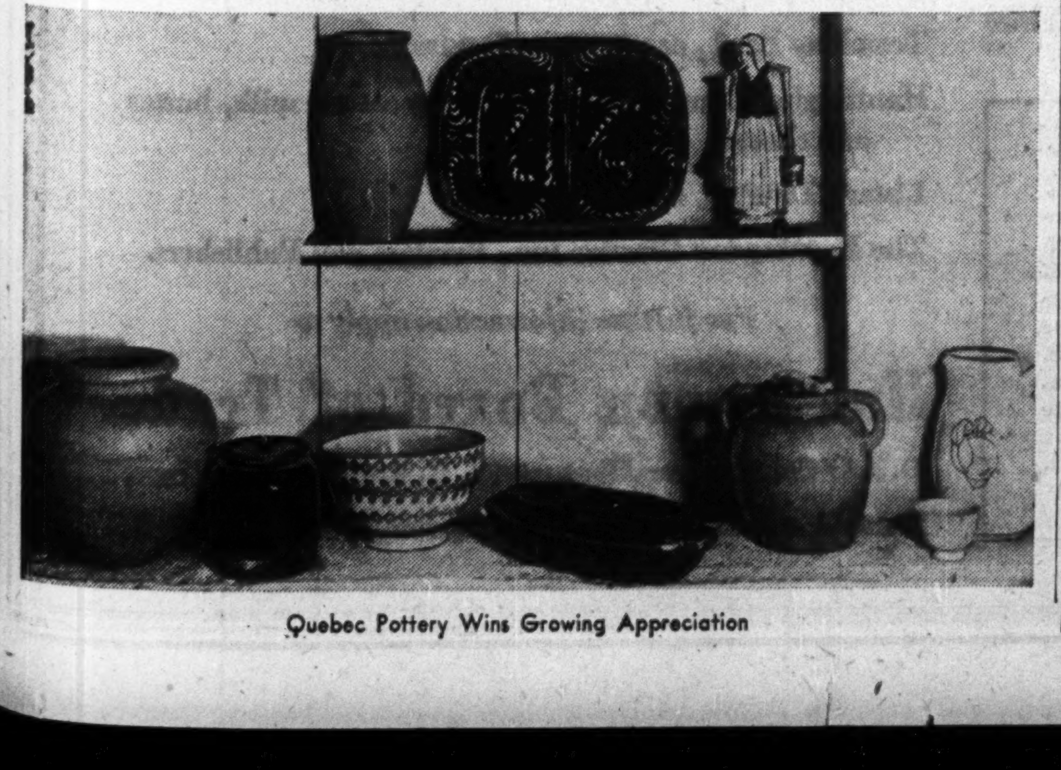
Yet that small proportion must represent uite a lot of money. The Canadian Handicrafts Guild's Montreal shop alone reports upward of $30,000 paid out last year to workers. The figure covers all sorts of handicrafts. It is impressive, considering the great number of small merchandising centres and the quantities sold directly by the craftsmen.

The war has given a new importance to Quebec handicrafts. On first thought, this might appear strange. In 1914 when the first world war started, those in charge of the directing and marketing of handicrafts thought that hard times were ahead. They were mistaken — times were never better for Canadian handicrafts. The war had cut off European supplies and there was suddenly a great demand for the Canadian article. At the same time, the country people had more of their own needs to supply. 1914 might be said to have been the beginning of a renaissance for home crafts.

It is therefore not surprising that handicrafts are in a flourishing condition at the end of the first year of this war. Neither is it surprising that this demand, greater than in 1914, should cause the problems that confront handicrafts today. How these problems, these growing pains of the industry will be faced and how solved is important. Can Quebec develop her crafts so as to replace those formerly sent from European countries? Can she replace them in the Canadian market and what is more important in the American market? It is well to remember that the great cottage industries of the British Isles and the Continent were once handicrafts in the simplest meaning of the word.

Solution for Others

There are those who would like to see the cottage industry idea developed here. It would mean a larger output and more standardized work and would be particularly applicable to weaving spinning cloth, rug and carpet making. It would mean among other things, vat dyeing of yarns instead of home dyeing as done now. There is the other school who would like to keep the handicrafts as they are — the work of the individual from beginning to end. Certainly there are arguments for both sides, meanwhile the workers go happily on their unhurried way, leaving the solution to others.


Quebec Pottery Wins Growing Appreciation

Acknowledgment

The Financial Post wishes to make acknowledgment for the use of the many photographs in this issue supplied by various individuals and organizations, notably, the Province of Quebec Tourist Bureau, Canadian National Railways, Canadian Pacific Railway, Shawinigan Water & Power Co., Photographic Arts, and Associated Screen News.

Analyse Costs Rural Family

Living expenditures of the average farm family in Quebec are apportioned very much the same as for like families in other parts of the Dominion.

The manner in which the average farm family in Quebec apportions its annual expenditure, in contrast with the Dominion average, is set out below:

Average Farm Family Living Expenditures
(Expressed in percentage)

	Quebec	Canada
Food	19.3	19.4
Fuel and light	2.3	5.2
Clothing	23.2	19.8
Shelter	5.1	4.1
Household oper.	4.1	4.4
Furnishings	10.6	9.0
Health care	6.1	7.7
Personal care	1.0	1.2
Education, minor	6.5	4.1
Community	3.5	4.1
Education, adult	0.4	0.7
Gifts	2.0	2.2
Transportation	4.3	7.8
Recreation	2.8	4.3
Life insurance	6.8	6.2
Total	100.0	100.0

The Federal Department of Agriculture, however, found that the Quebec farm family, compared with the Dominion average, spent more on clothing, shelter and furnishings. The outlay on health care and education was above the Dominion average, but the Quebec family spent relatively less on transportation and recreation. But the same "average" family spends a larger share of its income on insurance.

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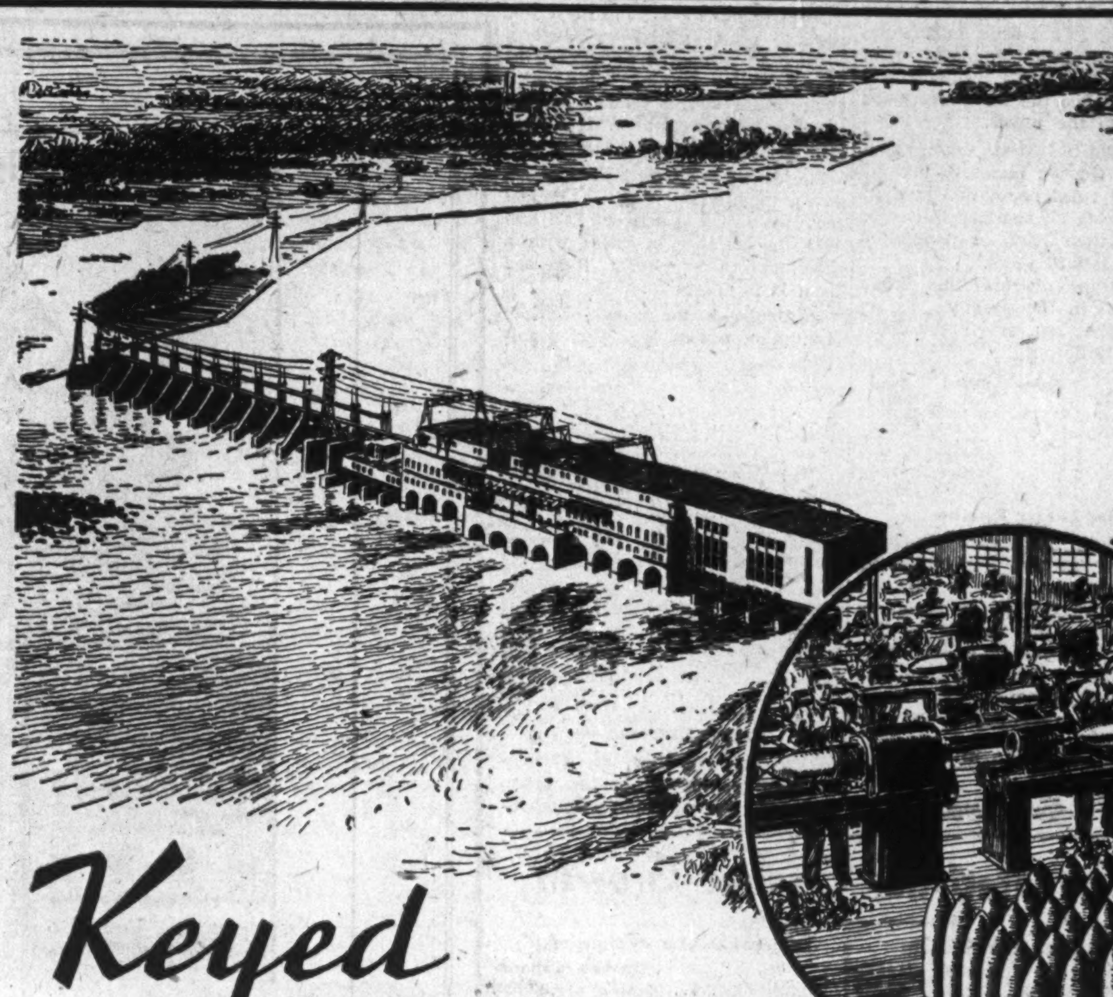
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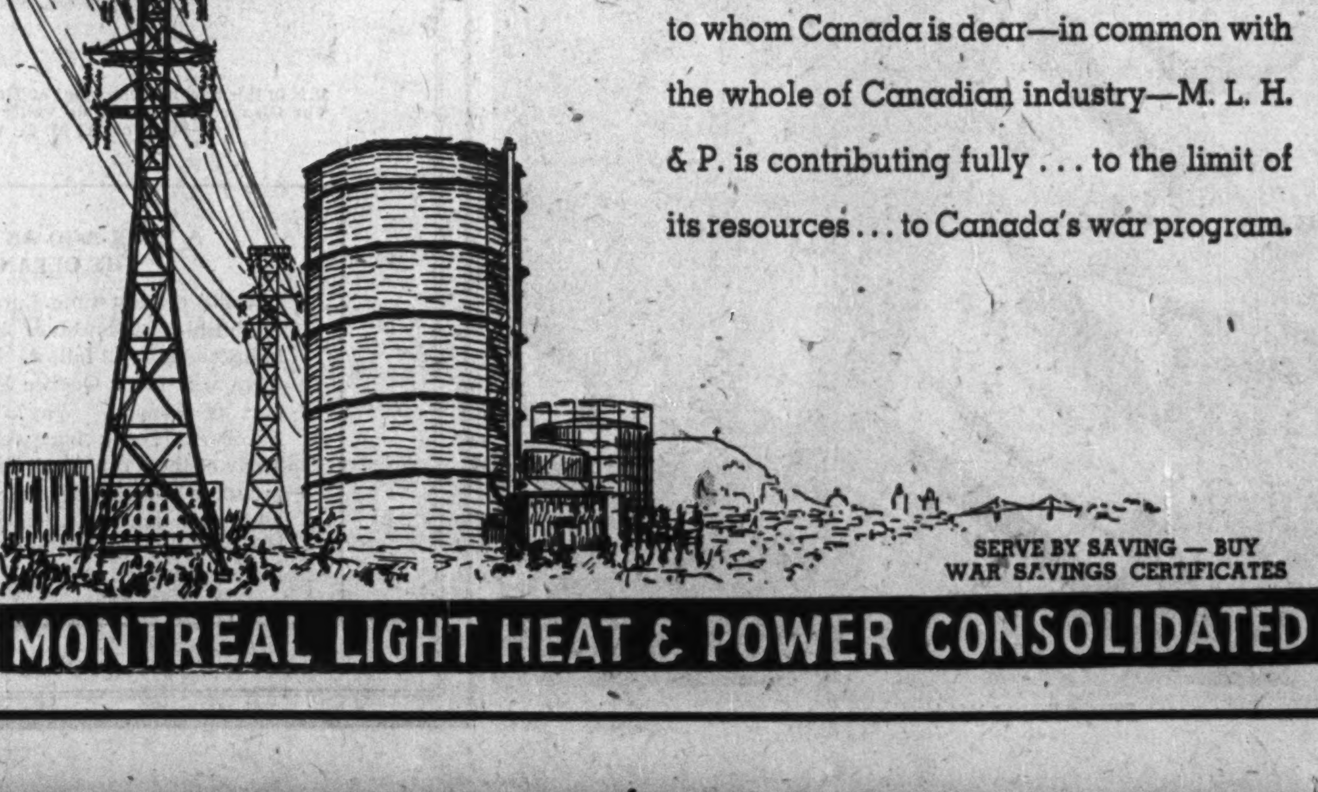
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One Out of Every Four People

25% of Dominion's Population Resides in the Ancient Province

Twenty-five per cent of Canada's population resides in the Province of Quebec. The latest estimate places the total for the province at approximately 3.2 millions, over 95% of whom were born in Canada. Of the native born almost 80% are of French descent and trace directly to the original French settlers of 300 years ago.

The first effort made toward colonizing New France dates from the arrival of Champlain in 1608, when he founded Quebec. Before that Jacques Cartier had been satisfied to explore the country.

First of the settlers to come to what is now Canada was Louis Hebert, an apothecary from Paris. As early as 1617 this courageous pioneer landed in Quebec with his family and devoted himself to agriculture.

At that time it is estimated that about 10,000 Indians inhabited the country now included in the province.

Trade Impedes Growth

At the outset colonization proceeded slowly, the companies charged with recruiting settlers, in return for certain trading privileges, feared losing control of the fur trade should they send out too large a number of families.

The incessant warfare with the Indians as well as with the English was an impediment to the increase in population. The first census taken dates back to 1666, when there were 3,125 inhabitants in the districts of Quebec, Montreal and Three Rivers. Subsequent enumerations give a population of 3,918 inhabitants in 1667; 9,400 in 1679 and 12,263 in 1685, including 1,538 Indians inhabiting the settled areas.

At the time of the British conquest there were approximately 60,000 people in New France. Followed a large influx of settlers, tradesmen and others from England, Scotland, Ireland and the continent. Population grew steadily. By the time Confederation rolled around Quebec had a population of nearly 1,150,000.

Trend of Population

The trend of population growth in Quebec from the decennial census of 1881 up to date, together with the returns for the Dominion as a whole, and Quebec's percentage of the latter, follows:

	Quebec	Canada	Que. % of Total
1940 (est.)	3,200,000	11,250,000	28.44
1931	2,874,255	10,376,786	27.70
1921	2,360,665	8,787,949	26.87
1911	2,005,776	7,206,643	27.83
1901	1,648,898	5,371,315	30.70
1891	1,488,535	4,833,239	30.80
1881 ...	1,359,027	4,324,810	31.42

French in Majority

As the original settlement of the province was undertaken by French colonists, it is only natural that the majority of the Quebeckers of today should be of French origin and French speaking. The last Government census showed that of the more than 2.8 million people in the province, all but some 600,000 were of French racial origin. One third of the remainder were of English descent and 108,000 of Irish origin. The Scots were well represented with 80,300, while the balance was made up of many nationalities.

A survey of the principal racial origins of Quebec's population, based on the last decennial census, follows:

Principal Ones Only	
English	234,739
Irish	108,312
Scottish	87,300
French	2,270,059
Hebrew	60,087
Indian	12,312
Italian	24,845
German	10,616
Greek	2,466
Polish	9,534
Russian	3,574

Movement of Population

The movement of population in Quebec from rural to urban areas has been an interesting one. In 1871 the rural population amounted to 80% of the whole, whereas in 1931 it was only 37%. The peopling of the larger centres has been detrimental to rural life, the immigration of agriculturalists being insufficient to counterbalance the influx from the country to the towns.

From 1881 to 1931 the urban population of Quebec increased sixfold, while the rural population held its own, making an aggregate increase of more than 100% in population over the last 30 years.

Distribution of rural and urban population in the province, as set out in the last seven decennial censuses, follows:

	Urban	Rural	Total
1871	......	......	1,191,516
1881	311,104	1,047,923	1,359,027
1891	499,715	988,820	1,483,535
1901	654,065	944,833	1,648,898
1911	966,842	1,038,934	2,005,776
1921	1,322,569	1,038,096	2,300,665
1931	1,813,606	1,060,649	2,874,255

Has Larger Families

One of the features of Quebec's population is the importance of family returns. Large families are the rule rather than the exception in Quebec. The average of 3.58 children per family is considerably higher than in the other provinces. Moreover Quebec has a far larger number of big families: at the time of the last census, for example, there were 1,440 families with 12 or more children.

The size of Quebec families as indicated by the census returns is set out below:

Size of Families	
Total families	413,868
Families with children	353,006
Families without children	120,862
Families with:	
One child	81,135
Two children	66,748
Three children	55,037
Four children	43,794
Five children	34,019
Six children	25,024
Seven children	18,358
Eight children	12,427
Nine children	8,800
Ten children	3,979
Eleven children	2,065
Twelve or over	1,440
Average per family	3.58

Montreal Leads Cities

Montreal is by far the most important urban centre in Quebec, having an estimated population of over 1 million, as against 618,506 in 1921. These figures do not include the Great Montreal area. If included, the total is nearly 1.5 million.

An idea of the growth of Quebec's urban population can be gained from the fact that between 1921 and 1939 the number of cities with a population over 10,000 increased from 12 to nearly 20.

Particulars of the growth of urban population during this period follow:

	Latest estimate	1921
Montreal	1,175,957	618,506
Quebec	147,000	95,193
Verdun	62,148	25,001
Three Rivers	40,185	22,367
Hull	30,154	24,117
Sherbrooke	30,908	23,515
Outremont	29,300	13,249
Westmount	26,000	17,593
Lachine	19,037	15,404
Shawinigan Falls	17,300	10,625
St. Hyacinthe	15,307	10,859
Chicoutimi	12,931	8,937
Levis	11,767	10,470
Valleyfield	13,288	9,215
St. Johns	11,683	7,734
Joliette	11,976	9,039
Thetford Mines	10,715	8,272
Granby	12,573	6,785
Sorel	11,129	8,174
Jonquiere	11,000	....

French Predominate

The predominance of French-speaking population in the urban centres of Quebec is not without interest. Montreal, the largest centre, reports two thirds of its population as of French racial origin. In Westmount, a residential city in the Montreal metropolitan area, the proportion is just the reverse. But elsewhere in the province the percentage of urban population ranges from 80% to over 90% of French origin.

This situation is more fully set out in the following compilation based on the 1931 census:

(Percentage)	French	British
Cap de la Madeleine	96.6	2.8
Drummondville	86.2	11.5
Granby	86.0	12.7
Grand'Mere	90.7	7.5
Hull	90.0	6.9
Levis	97.6	2.2
Montreal	63.9	21.8
St. Hyacinthe	98.2	1.1
St. Johns	88.5	9.2
Shawinigan Falls	92.5	5.6
Sherbrooke	75.8	22.3
Three Rivers	93.6	5.2
Valleyfield	87.5	11.0
Verdun	38.3	57.6
Westmount	13.1	73.0

Key Statistics Quebec Growth

	Quebec	Canada
Population: 1939 estimate		
No. (000)	3,210	11,315
% total	28.4	100.0
Gainfully occupied: 1931 census		
No. (000)	1,026	3,927
% total	26.1	100.0
National income: 1940 estimate		
$ million	1,163.6	4,800.0
% total	24.2	100.0
Per capita $ ...	358	420
Construction: Contracts awarded, 1940		
$ thousand	96,326	346,000
% total	27.9	100.0
Mining: Value of production, 1939		
$ million	71,000	470,179
% total	15.1	100.0
Automobile tourists: Expend. 1939		
$ million	27,519	168,607
% total	16.3	100.0
Power: Generated, 1940		
Million, kw.h. .	16,000	30,116
% total	53.1	100.0
Retail sales, 1939		
$ million	564.5	2,447.6
% total	23.1	......
Per capita	135	216

	Quebec	Canada
National wealth: 1933 estimate		
$ million	6,738	25,768
% total	26.2	100.0
Per capita $ ...	2,269	2,413
Manufacturing: Value of production, 1939		
$ million	980,124	3,337,681
% total	29.4	100.0
Agriculture: Gross value of output, 1939		
$ million	203.4	1,170.9
% total	17.4	100.0

Quebec Farm Land Value $44 an Acre

Average value of farm land in Quebec last year was $44 an acre. This represents an increase of $4 an acre over that reported for the previous year and is the highest per acre figure reported since 1930, when the average value of farm land in the province was $48 an acre.

Quebec Marches on To New Horizons

(Continued from page 21)

many English-speaking Canadians felt and said: "There'll be trouble again with Quebec." There was no trouble. Unlike the situation in the last war, this time Quebec was intelligently handled. The French Canadians understand the causes of the conflict. Knowing them, they assumed their share of responsibility. There was no hesitancy, no quibbling and no need of coercion.

Then when France collapsed it was said: "What will Quebec do now?" Quebec's reaction was no different from that of any other part of Canada. Britain was now fighting alone; Quebec's support did not falter. On the contrary, the response to the Empire cause was greater than before.

Quebec's stature has grown since the war commenced. It has been brought home to Canadians in other parts of the Dominion that not only is Quebec a full-fledged member of the Confederation, but one of the largest and most important. The resources of the province—both man power and materials—make possible Canada's war effort. They mean much to the Empire.

The war has brought about a more tolerant and even more sympathetic understanding of Quebec, its affairs and its people. It is all to the good.

There is the other side of the relations between Quebec and the rest of the Dominion—political and economic. The Sirois report on Dominion and provincial relations brought into sharp focus some of the many problems facing the Dominion and the individual provinces. The recommendations did not provide any cure-all for the troubles, but they did suggest certain ways in which relief could be given to some of the more pressing problems.

Representatives of Quebec, as well as those of other provinces, attended the meeting held in Ottawa last month. The conference broke down. Subsequently certain charges were made, by both responsible and irresponsible individuals, that the treatment which it was proposed for Quebec was too generous. Other charges were made in an endeavor to create a belief that Quebec was attempting to take advantage of the situation to better its condition at the expense of other provinces.

These charges in the aggregate were unfair; in certain specific cases, untrue. Quebec's representatives went to the meeting in a spirit of co-operation. They were not entirely in accord with the report and its recommendation. Nevertheless they went, willing to listen and, if necessary, to compromise in order to achieve one end—greater national unity.

The Dominion-provincial meeting did not make for national unity. Out of round-table discussions might have come a better appreciation of each other's problems
cially those of Quebec.

Quebec can take car
internal problems. On
question of understand
it is playing in the war
break down the wall
and intolerance with w
has had to contend
tions with the rest of th

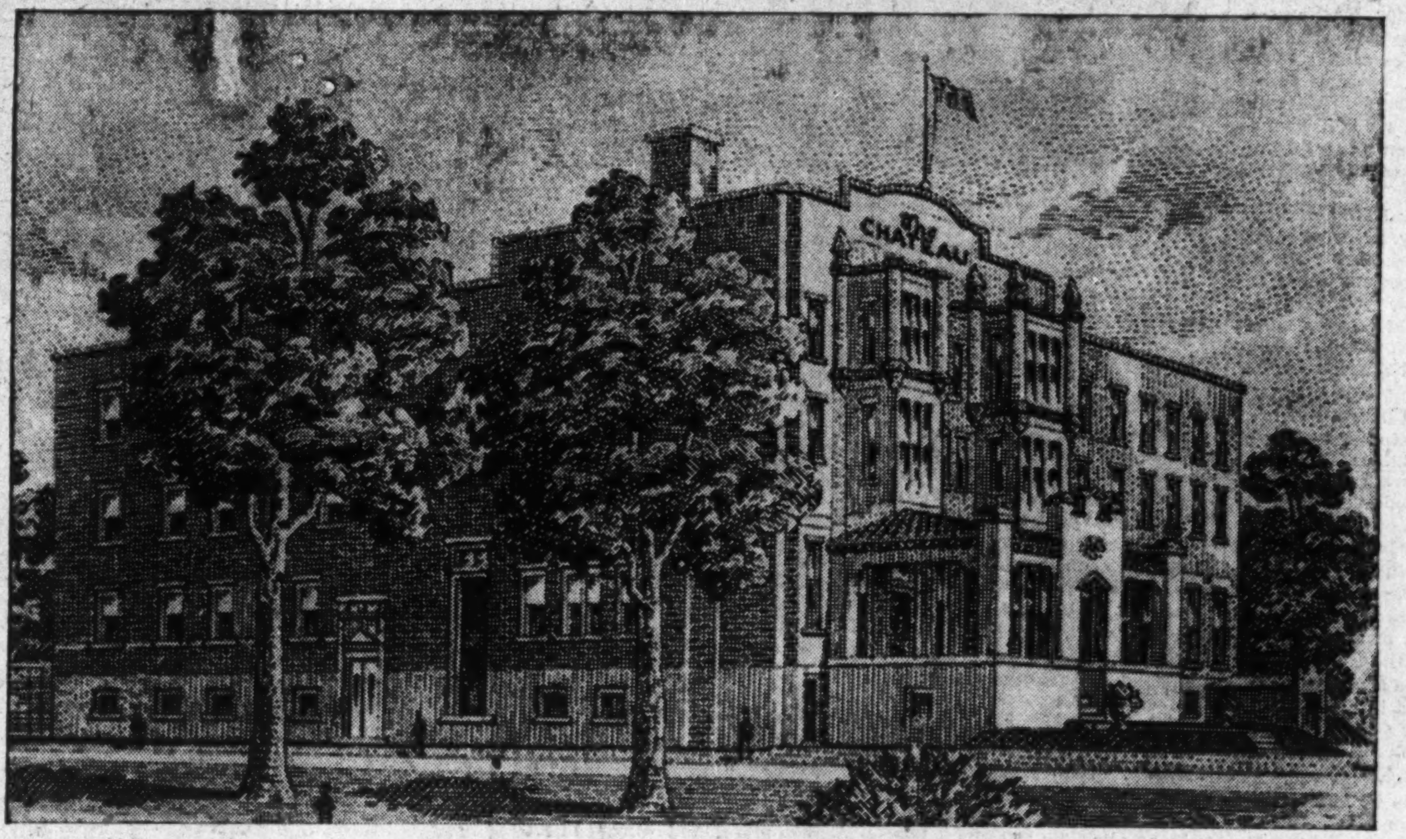
Quebec Makes
To Aid Agricult

Quebec Government
agriculture, which had
$1,351,000 in 1922, reach
in 1939. Since 1940 the
has paid a part of the
on loans made to farm
Canadian Farm Loans

FIRST BREWERY IN

Canada's first brewery
Quebec City, is still i
Today Quebec's brewe
has a capital investme
millions with an annual
in the neighborhood of

Bilingualism at Work



The Huntingdon Chateau has a most imposing entrance and its rare beauty has attracted the attention and admiration of thousands of tourists. A more beautiful hotel than "The Chateau" in any town in Canada would be difficult to find. 65 rooms. Fire proof throughout.

HUNTINGDON is in the Industrial Area

Located fifty miles south west of Montreal, adjacent to the State of New York, and the St. Lawrence River hydro power developments in Quebec Province.

A modernized bilingual town that has the essential facilities for industrial firms seeking an advantageous location.

An abundance of filtered water and sewage service accorded.

$100,000 Consolidated High School is rated the best in the Province of Quebec.

Combined municipal and school taxation rate only 23 mills.

A community that has never been known to have a labor dispute.

An abundance of hydro electric power is distributed throughout this area by Shawinigan Water and Power Company.

Huntingdon is the trading centre of the greatest livestock and dairy district in all Canada. Generally known as "The Scotland of America."

Transportation accommodation is accorded by the C. N. Railway and New York Central Railway. Main highways maintained throughout the year for motor vehicle travel.

A modern water filtration plant . . .

HUNTINGDON

Pure water is a health guarantee and Huntingdon has never been known to have had an epidemic of sickness traced to water or foods. This is a healthy community.

Canada's outstanding rural publishing house . . .

It is in this new modern plant of The Huntingdon Gleaner Inc. where The Gleaner, La Gazette de Valleyfield, Canadian Ayrshire Review and Montreal Y. M. C. A. News are Published.

A YEAR AGO AN EDITORIAL IN THE GLEANER SAID:

"At the present time European industrialists are establishing themselves in Canada; more such industrialists will follow. It is but natural many of them will favor Quebec Province over any other part of Canada. Why? Simply because these Europeans speak languages other than English. Many of them can speak French; consequently that proves to be an added inducement for them to locate within our borders. The French Canadian with a large family is generally acknowledged to be a good factory worker . . ."

Industrial Firms that have already located in Huntingdon

Leach Textiles, Limited, manufacturers of serges.

Fawcett & Grant, Limited, manufacturers of serges.

Huntingdon Woollen Mills, Limited, manufacturers of overcoatings and blankets, etc.

Spinners Limited, manufacturers of worsted yarns.

Huntingdon Mills Limited, Lumber, Building Supplies, Grist, etc.

Tremblay Bros., casein manufacturers.

Huntingdon County Farmers' Co-operative, milk, butter and cheese.

Lister's Limited, diabetic foods.

The Huntingdon Gleaner Inc., Printers and Publishers.

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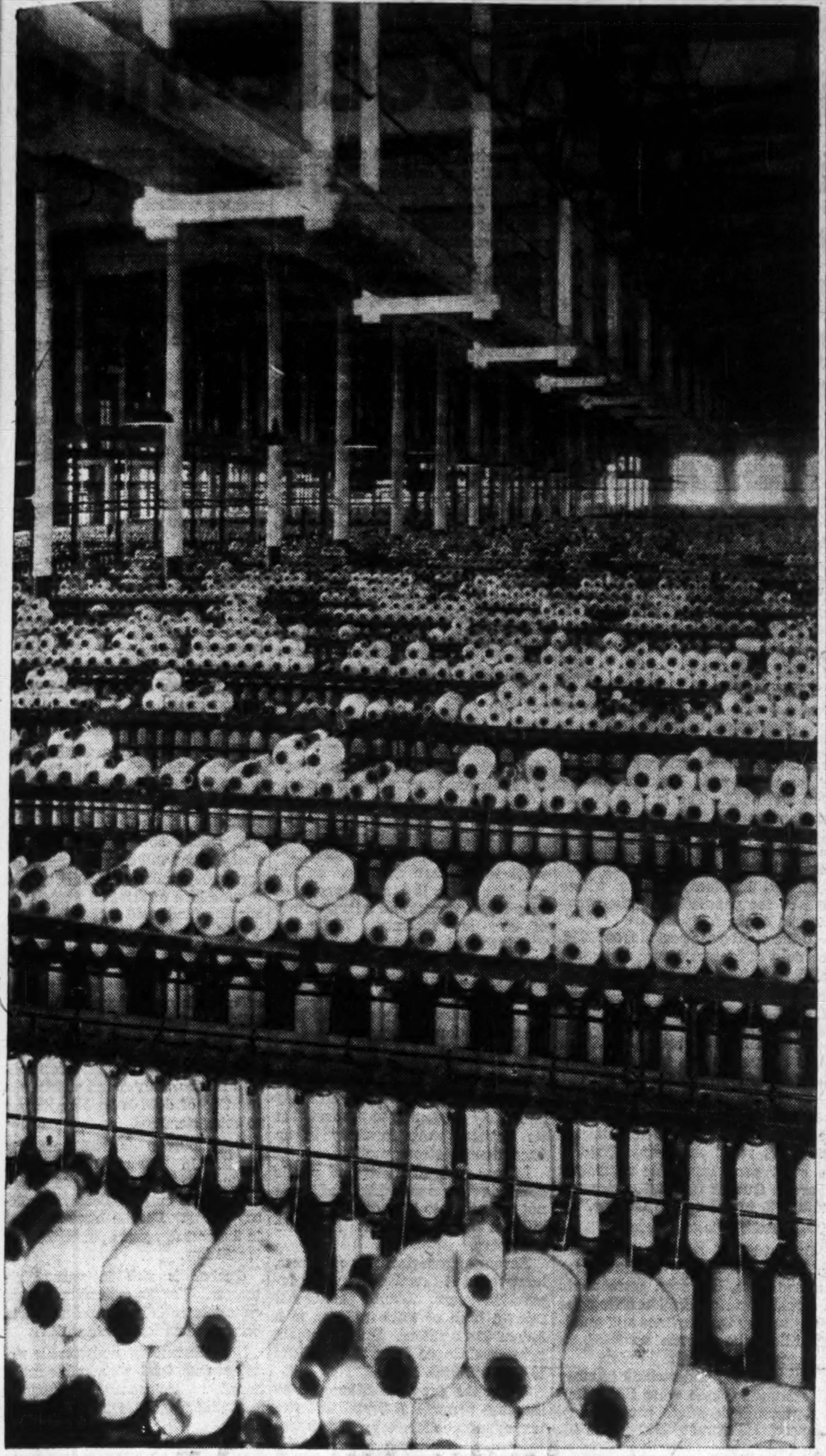
Daniel Faubert, *Mayor of Huntingdon*, Huntingdon, P.Q.



Almost 70% of all the cotton yarn and cloth manufactured in Canada comes from Quebec mills.

Quebec's Industries on All-out Basis

Plants of Province Step Up Operations to Wartime Scale

For more than a year Quebec's manufacturing industries have been operating all-out in order to meet wartime demands. Existing plants have been enlarged. Many large new wartime industries have been established. Employment has increased substantially. Production has advanced to a point where the annual value of output is far in advance of that ever previously reported.

Every branch of industry has been affected by the changed set of conditions. Capacity operations have been and are the rule in such fields of manufacturing as iron and steel, textiles, machinery, clothing, boots and shoes, meat packing, smelting and refining, etc. Other sections have not lagged. As a result the composite picture of manufacturing in Quebec is one of tremendous activity.

Create War Industries

Probably the most notable feature of manufacturing in the province over the past year has been expansion of existing industries supplying essential war materials and the construction of new plants. The great aluminum works of Quebec have been doubled and again doubled. The power industry has had to expand its productive facilities in order to keep pace with the demand for electrical energy.

The iron and steel mills have greatly expanded, and so, too, have the industries associated with non-ferrous mining and smelting. Purely wartime industries, such as explosives, shell-filling, etc., have been set up to meet special requirements.

In certain respects the great industrial resources of Quebec have been called upon more than those in other provinces to meet war conditions. The availability of raw materials, ample power reserves, labor supplies and exceptional transportation facilities, have influenced the Government in establishing many of the new war industries in Quebec.

Holds Key Position

Ordinarily Quebec accounts for about 30% of the Dominion's industrial output. It has achieved this highly important position more on account of large individual industries than because of diversification of industrial operations.

The Quebec section of the pulp and paper industry, for example, in addition to supplying about 10% of the total gross value of all products manufactured in the province, furnishes about 47% of the Dominion's total for this industry. The ratios of output in other Quebec industries to production in the country as a whole are:

Cotton yarn and cloth, approximately 69%.
Railway rolling stock 48%.
Tobacco products 85%.
Women's factory clothing 66%.
Leather boots and shoes 61%.

40 Major Industries

The predominance of the foregoing industries is not to be denied, yet it is noted that Quebec province can boast of 40 industries with an annual production value in excess of $6 millions each. As already mentioned, one industry alone accounts for about 10% of the province's total manufacture, yet the degree of diversification compares relatively favorably with that reported in other provinces of the Dominion.

According to the most recent returns released by Ottawa there are over 8,650 industrial establishments in Quebec, in which the capital investment totals $1,146 millions.

$980 Millions Output

In the last year for which complete returns are available, 1938, these plants had a gross value of production in excess of $980 millions, of which sum $518 millions represented the cost of materials and $213 millions salaries and wages.

Pulp and paper is well in the lead as the most important manufacturing activity in the province. The output of this industry increased substantially in the past year both in respect to volume and dollar value of sales. This was due in part to the reallocation of world newsprint markets following the shutting off of the Scandinavian producers.

Non-ferrous mining and smelting has rapidly come to the fore in recent years and now ranks second as the most important Quebec industry. This branch of manufacturing recorded a sharp expansion in operations last year and it is possible returns for 1940 will show this industry within striking distance, if not topping, pulp and paper.

Cotton yarn and cloth ranks as third most important Quebec industry. Actually the textile industries collectively represent the leading manufacturing activity in the province.

Tobacco ranks as fourth industry, followed by the highly seasonal railway rolling stock industry. Over the past two years the latter industry has greatly broadened its activity, providing greater stability of operations.

Butter and cheese, petroleum products and meat packing go to make up the balance of the 10 leading industries.

Central electric stations are no longer included in the returns as a manufacturing industry. In other years, power ranked among the leaders and in respect to value of "production" continues to be one of the most important revenue producers in the province.

Six Industrial Areas

Industrialization of Quebec has been largely confined to about six principal areas. To the west is the Ottawa Valley centring around Hull. Here are large power developments, paper plants, lumbering mills and other industrial establishments.

A short distance to the east is Montreal, one of the principal manufacturing centres of the Dominion and headquarters for the two transcontinental railways. This, combined with the fact that Montreal is the leading seaport in the country, has been instrumental in establishment of a number of industries doing a national and international business.

New England of Canada

Farther east and to the south are the Eastern Townships, sometimes referred to as the New England of Canada. Development of this section has been an outstanding chapter in the industrial history of the Dominion. In this section will be found the centre of the Canadian silk and asbestos industries, with pulp and paper plants, lumbering mills, textile mills and a host of other specialized industries well represented.

On the north shore of the St. Lawrence, in the territory around Three Rivers, Shawinigan Falls and Cap de la Madeleine, is another section of major industrial importance. The pulp and paper industry is located here in full force. There are many other manufactures, including chemicals, textiles, Cellophane, etc. This area has been receiving increased attention of late years, due, largely, to the availability of large supplies of low cost power, and has attracted many new industries.

The fifth industrial area of the Dominion radiates from Quebec City—an important port and distribution centre. The availability of low cost power, raw materials and unexcelled shipping facilities have given an added importance to this industrial area.

The newest manufacturing district in the province is that of the Lake St. John-Saguenay region. This is the home of the great pulp and paper and lumbering enterprise of Price Bros. and Co. as well as other operators. Since 1920 this section has attracted tens of millions of new capital in the form of such major manufacturing projects as Lake St. John Power and Paper Co., Consolidated Paper Corp., Saguenay Power Co., Aluminum Power Co. and the vast Aluminum Co. of Canada development at Arvida.

Nearly one half of Quebec's manufacturing activities are centred in Montreal; the proportion is even greater if the Greater Montreal area is taken into consideration. There are, however, at least a dozen other major industrial centres.

Through the instrumentality of the power companies, many large sized industries have been established in various communities within easy transmission distance of power plants, or where labor or other local conditions are especially favorable.

Urban Industrialization

This is more clearly shown in the following list of the Quebec cities and towns having an annual industrial output of more than $1 million dollars. The figures, covering 50 centres, refer to 1938 operations—the latest available:

	No. of Plants	No. of workers	Gr. val. of output M. of $
Montreal	2,489	103,254	474.5
Mont. East	11	1,894	38.3
Quebec	304	9,865	31.7
Three Rivers	54	5,372	24.3
Sherbrooke	79	5,497	16.3
LaSalle	10	1,236	15.4
Drummondville	10	4,243	13.6
Lachine	32	2,850	13.3
Shawinigan Falls	25	2,978	12.5
Hull	45	2,495	2.10
Granby	34	2,970	10.6
St. Hyacinthe	36	3,722	10.0
St. Johns	41	2,952	9.4
Magog	18	1,709	9.3
Valleyfield	29	2,742	7.9
St. Jerome	33	2,044	6.7
Outremont	14	676	5.7
Beloeil	11	462	5.6
Grand'Mere	17	1,533	5.5
Westmount	10	968	4.4
Kenogami	3	891	4.3
La Tuque	14	810	4.3
Victoriaville	24	1,366	3.4
Buckingham	11	538	3.1
Windsor	11	609	3.0
Louiseville	12	939	2.9
St. Laurent	14	832	2.8
Brownsburg	5	619	2.8
Joliette	39	894	2.4
Cowansville	14	834	2.2
East Angus	7	497	2.2
Farnham	12	636	2.1
Montmagny	20	837	2.1
Lachute	9	666	1.9
Beauharnois	11	503	1.9
Coaticook	18	705	1.9
St. Pierre	8	643	1.8
Dolbeau	3	299	1.8
Plessisville	14	347	1.8
Longeueil	11	453	1.4
Cap-de-la-Madeleine	13	328	1.4
Jonquiere	12	298	1.3
Acton Vale	11	490	1.2
Berthier	7	258	1.2
Rock Island	11	432	1.2
Lauzon	3	307	1.1
Rimouski	12	395	1.1
Ste. Therese	17	402	1.0
St. Remi	9	185	1.0
Verdun	25	281	1.0

EMPLOYMENT INDEX HIGH

Index of employment in Quebec province at the beginning of last December stood at 148.7. This represented a gain of over 19 points over the index reported at the same time a year ago and was the highest December figure yet recorded.

$203 Millions From The Land

(In Thousands of Dollars)

	1939 $	1937 $	1935 $	1933 $
Field crops	88.376	81,629	83.616	70,382
Farm animals	31,591	29,673	21,812	12,496
Wool	396	394	628	352
Dairy	56,578	55,711	49,119	39,953
Fruits, vegetables	9,927	8,724	7,380	5,345
Poultry	9,667	8,428	7,664	6,487
Fur farming	1,139	1,249	1,165	665
Maple products	2,643	1,308	2.267	1,727
Tobacco	1,656	1,098	642	329
Flax fibre	891	199	100	......
Seed	68	57	207	110
Honey	497	374	414	216
Total	203,429	188.844	175,074	138,042

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Quebec Continues Financial Housecleaning

Government Moves Toward Pledged Goal of Bringing Long Unbalanced Budget Back to Equilibrium — Failure of Dominion-Provincial Conference Has Important Bearing on Provincial Finances

By R. A. DRAPER
Staff Writer, The Financial Post

Quebec Province made substantial strides during 1940 toward its pledged goal of bringing the long unbalanced Quebec budget back to equilibrium.

The Government's report on the first period of operations for which it is wholly responsible (nine months ending March 31) is expected to provide encouraging evidence that the credit rehabilitation programme is making headway.

It is the intention of the Government to eventually present the people with an over-all balance, something to which they haven't been treated for many years.

With that objective achieved the Utopian fields of debt reduction are opened.

But much has occurred to complicate the task.

War Complicates Task

War and the Dominion's need for revenue and loans for the war chest impose upon the provinces the strictest economy. The attack of Quebec on its financial problems becomes double-edged: To contribute the maximum effort to the war cause and put its own house in order. The Quebec delegation, cognizant of its needs and the new strains and stresses that war had brought, went to the Dominion-Provincial Conference at Ottawa on Jan. 14 to discuss methods by which Dominion-provincial relations could be rationalized.

There the provincial governments received a strong intimation from the Dominion Finance Minister that the usual sources of revenue could no longer be relied upon.

Quebec's spring budget will therefore have to take into consideration the huge new burden that will be placed on Quebec taxpayers by war levies. Reduction in capital outlay may have to be further curtailed to provide the Dominion with funds.

Ceiling on Revenue

Possible Dominion encroachment into the field of provincial revenue at a time when the province is engrossed in its difficulties becomes a development of major importance. With the Sirois recommendations a dead issue, for the moment at least, Dominion-provincial financial relations have yet to be rationalized. Dominion needs for war might place a ceiling upon the revenue available for provincial requirements.

Sirois Report and Quebec

The Sirois report had important potential bearing on Quebec and other provincial finances. The recommendations contained in the financial plan may still have an effect on course of provincial finance. From the opposition voiced to the changes in Dominion-provincial relations proposed at the Ottawa conference, provincial acceptance of the plan in the case of at least three provinces would be most unwilling.

But there still exists the probability that the provinces will have to accept alteration in financial relationship with the Dominion, not far removed from the basic recommendations made by the Sirois proposals.

Quebec's "Benevolent" Neutrality

While the Godbout Government maintained a benevolent neutrality toward the plan, it gave no evidence that it was willing to accept the plan or any of its basic proposals. What seems certain is that Premier Godbout was willing to enter any temporary arrangement to remove the strain and stresses that are developing as a result of the country's war effort.

Regardless of the wartime evolution of governmental financial relations, Quebec province's government has translated into terms of action since it came to power its election promises of financial stability.

Financial Transformation Slow

If the Quebec taxpayer expected a financial miracle, he was disappointed. There was ample evidence by the end of the past year that the Government of Adelard Godbout was taking seriously its promise to restore provincial credit. But the estate which it inherited can take a lot of refurbishing before it glitters among the provincial mansions.

There was a large deficit in the year ended June 30, 1940, although it showed a sizeable reduction from the previous year. A substantial amount of debt was imposed upon the already large structure.

Deficit Momentum Checked

Neither the large deficit nor the increased debt can be laid at the door of the Godbout Government. Commitments previously incurred and the momentum of deficit spending set before, carried the Government inevitably to this unfavorable showing.

First step in the programme of fiscal rehabilitation was removal of the aura of mystery with which the province's finances have been enshrouded. To reveal their true position, there was a complete revision of public accounts and an abandonment of former methods that obscured the dangerous drift.

In presenting the budget last May, Hon. J. A. Mathewson, provincial treasurer, told the Legislature what he had unearthed:

Debt Rise Rapid

Direct and indirect debt of the province at June 30, 1936, totalled $209.9 millions. This date was approximately when the previous government came to power.

When the present government took over the reins at Nov. 8, 1939, it had reached $420.3 millions, an average increase of $70 millions annually.

Revised public accounts show net funded and unfunded debt, less sinking fund and active assets, at $169.7 millions at June 30, 1936. At June 30, 1940, the comparative figure was $345.2 millions, representing an increase in net debt of $175.5 millions.

This was the picture into which the present government stepped on Nov. 9, 1939.

Record Provincial Loan

To consolidate the legacy of debt left it, the Quebec Government sold $65 millions of debentures in Feb., 1930, the largest provincial flotation in the history of Canadian finance.

The nine months' period March 31 this year will be the first period for which the present government has been wholly responsible. When it took over control in 1939, four months of the fiscal year had elapsed. Out of an $81.2 millions budget for the year ended June 30, 1940, the previous government had spent or made commitments for three quarters of that total. The Government was left with less than one third of budgeted resources to operate for the remaining two thirds of the year.

Restoration of Confidence

It is not surprising then that in 1940 an overall deficit of $50.5 millions and an increase in debt of $56.9 millions were reported. These results, however, were considerably more favorable than those of the preceding year.

From the investor's standpoint one of the most constructive things that the Government has done to restore confidence is to make a businesslike presentation of its financial operations. Much of the alarm that had been expressed about Quebec finances sprang almost as much from the fact that analyses of the true financial position were impossible, as from the unprecedented increase in debt. Investment circles felt that political bookkeeping had been used to obscure rising debt.

Revise Public Accounts

In making this new presentation of facts, the Government called for a complete overhaul of the present system. The recent prospectus presentation of Quebec and the accounts given in Legislature simplified and clarified many mysteries of the past.

Mainstay of the new system is to give an overall deficit on the year's operations, to indicate movement of debt and actual deficit or surplus resulting from the year's activities.

Former governments followed the practice of showing surplus on what it termed ordinary account, but charged unemployment relief costs, certain colonization expenses, etc., to extraordinary and capital accounts. Results of this allocation of expenses gave a wholly inaccurate impression of the real financial operations of the province.

Pay-as-you-go Budget

Reverting to Quebec's traditionally sound financial policies, the Government brought down a pay-as-you-go budget in May last year, calling for economy and a still increase in taxes.

Total revenue in the nine months period ending March 31, 1941, is estimated at $52.4 millions, including charges formerly classified as extraordinary. Surplus on ordinary account is estimated at $52.4 millions, leaving an anticipated ordinary surplus of $258.061 for the period. Capital expenditure of $26.6 millions was provided for, as well as $6 millions to continue loans under the Quebec Farm Credit Act.

Current Operations Improve

The Government was able to report a gratifying betterment in operations in the first three months of the split period. A net improvement of $18.4 millions was noted over the same period last year. An overall deficit of $16.9 millions was converted into a surplus of $1.6 million.

It does not follow that this rate of improvement will continue to March 31, but results are expected to be materially better than originally estimated.

The original $32 millions provision for capital expenditure has been pared to $22 millions and a balance has already been attained on ordinary account, which contains expenditure formerly classed as extraordinary.

Public accounts of the province, as revised, follow:

Revenue and Expenditure
Years Ended June 30

*Revenue	1940	1939	1936
	in $000's		
Taxes	37,036	33,509	19,323
Licenses and fees	9,465	9,278	8,359
Public domain	5,770	8,526	5,367
Liquor control	8,358	7,455	5,440
Other	1,020	798	760
Dom. subsidiaries	2,592	2,592	2,592
Ordinary rev.*	64,241	62,158	41,841
Expenditure:			
Net debt charges	10,445	8,052	5,659
Direct relief	15,372	4,676	8,159
Public welfare	15,229	13,262	7,369
Education	6,397	6,204	4,513
Justice	4,677	4,734	3,829
Legislation	906	755	1,032
Government	5,875	5,760	4,322
Agriculture	3,532	4,332	2,837
Pub. domain and colonization	7,599	8,356	9,844
Highways	7,759	7,844	7,100
Other	495	1,389	1,095
Ordinary expend.	78,286	65,364	55,759

*Dominion subventions and grants in aid not included, but deducted from corresponding gross expenditure.

Revenue and Expenditure
Years, Ended June 30

*Revenue	1940	1939	1936
	in $000's		
Ordinary deficit*	14,045	3,206	13,918
Capital expend.	36,482	59,329	7,637
Over-all deficit	50,527	62,535	21,555

Debt Position
At June 30

	1940	1939	1936
	in $000's		
Funded debt	380,861	291,950	162,740
Less: Sink. fund	29,041	26,954	19,104
Net funded debt	351,820	264,996	143,636
Floating debt	22,928	52,880	40,111
Cont. liabilities	13,266	13,199	10,229
Def. liabilities	16,926	16,984	15,893
Total funded & unfunded debt	404,940	348,059	209,869
Less: Active assets	59,722	52,654	40,140
Net debt	345,218	295,405	169,729

*Before providing for sinking fund and debt retirement.

Composition of Debt

The revised accounts bring into focus the reasons for Quebec debt and the allocation of revenue.

By far the largest portion of Quebec's indebtedness was incurred for public works. Of a total net debt of $345.2 millions, $226.9 millions was for this purpose. Funding of deficit was the next largest item. Net consolidated deficits in the debt structure amounted to $65.9 millions at the end of the latest fiscal year.

Following is a tabulation of the composition of net debt in 1940 and 1936:

Composition of Net Debt
At June 30

	1940	1936
	in $000's	
Highways & bridges	131,216	75,074
Public buildings	26,598	24,668
Toll bridges	6,181	8,095
Colonization	8,217	258
Relief works	54,720	11,670
Loans and advances:		
Farm Credit Bureau	32,325	......
Mental institutions	1,435	685
Miscellaneous	1,670	1,991
Deferred expense	16,926	15,893
Net cons. deficits	65,930	31,395
Total net debt	345,218	169,729

Depression Incurred Debt

The largest portion of Quebec debt was incurred from 1930, when effects of the world-wide business depression were felt. The burden of unemployment relief that both provincial and municipal governments had to bear was largely capitalized. The most difficult problems were concentrated in Montreal area, where 40% of the population of the province is centred.

In the eight-year period from 1930, the debt of Montreal rose from $252 millions to $345 millions, largely because of the necessity for providing relief.

Total relief capitalized by the province during the same period was almost equal to the total outstanding debt of the province in 1930.

As previously mentioned, the Quebec muncipalities were called upon to share a greater burden of unemployment relief than municipalities in other provinces. The municipal share in Quebec was 28%, compared with 15% in the rest of Canada.

Relief Costs Onerous

Over 70% of relief expenditures in the province was direct. Large expenditures, however, were made on public works. Suplementing the aid given by the province and municipalities, the church assumed an important part of the burden.

The province undertook a number of schemes, which were not relief, but were designed to provide employment. Between 1930 and 1937, the province spent $26 millions on colonization of settlers, $54 millions for highway construction and $14 millions on loans to farmers.

The net effect of these extraordinary expenditures was to triple the province's debt and convert the municipal-provincial debt from one of the lowest to the highest in Canada.

Quebec Revenues Up

Quebec public domain and development expenditures are much higher than average. This is considered natural in a province possessing extensive natural resources and regional economic problems.

The only major departures in revenue system from the average Canadian pattern are the use of income and sales taxes by municipal governments, and the larger proportion of joint provincial-municipal revenues raised by the municipalities.

The Sirois survey saw reserves of taxation which had not been touched and suggested a broadening of the joint provincial-municipal tax basis to provide for the new level of expenditure and debt created in the past few years.

Widen Tax Base

The Godbout Government has already implemented this suggestion. It imposed an income tax on 1939 incomes, broadened the base of other taxes and imposed new.

The Sirois report found that per capita income of Quebec was somewhat lower than average. In the province there is a small group of very high incomes and a large group of very low incomes. While the province had never levied progressive taxation before 1939, Montreal has levied a personal income tax for a number of years. Succession duties in recent years have yielded a figure at about national average.

Farmer Revenues Strong

The fact that the province did not undertake progressive taxation may be largely attributed to the fact that its finances were formerly in an exceptionally strong position.

Liquor control profits and public domain revenue were high and it was not necessary to levy other taxation on the same scale as in other provinces.

Revenue from these two sources, however, fell drastically in the depression years. Liquor profits fell from a high of $12.3 millions to a low of $2.4 millions. Public domain revenue dropped from $7.4 millions to $2.9 millions.

When the province attempted to increase revenue it found that the taxpayers' pockets were also being called upon to produce funds for the hard-pressed municipalities. The overhead costs of the Church in arranging welfare services were provided from the same source. As a result of this triple demand the drain upon the taxpayer was far more than is evident from public financial statements.

Burden on Real Estate

The burden fell particularly upon real estate. The large exemption from taxation of religious institutions also increased the weight.

The municipalities turned to income and sales taxes, and to licenses and fees of many kinds, which were in reality corporation taxes. This feature of the municipalities' taxation activities caused overlapping and confusion.

Although the Government consummated financing of record magnitude since it started on its rehabilitation work, there is still a substantial volume of floating debt that will have to be funded in the near future. In fact, a loan of substantial proportions was scheduled when collapse of the Sirois discussions caused a postponement.

Loan Requirements

Tied very directly to the province's refunding plans is the fact that the Dominion is expected to float the third war loan of $1 billion this summer.

It would appear almost certain that Quebec will come to the market for money before that time. A Dominion loan of this size would draw surplus funds and subsequent loans would be placed on a distinctly sparse market. The province may also have to consider a loan of sufficient size to obviate the necessity of offering debentures for many months following the third war loan.

Position Inherently Sound

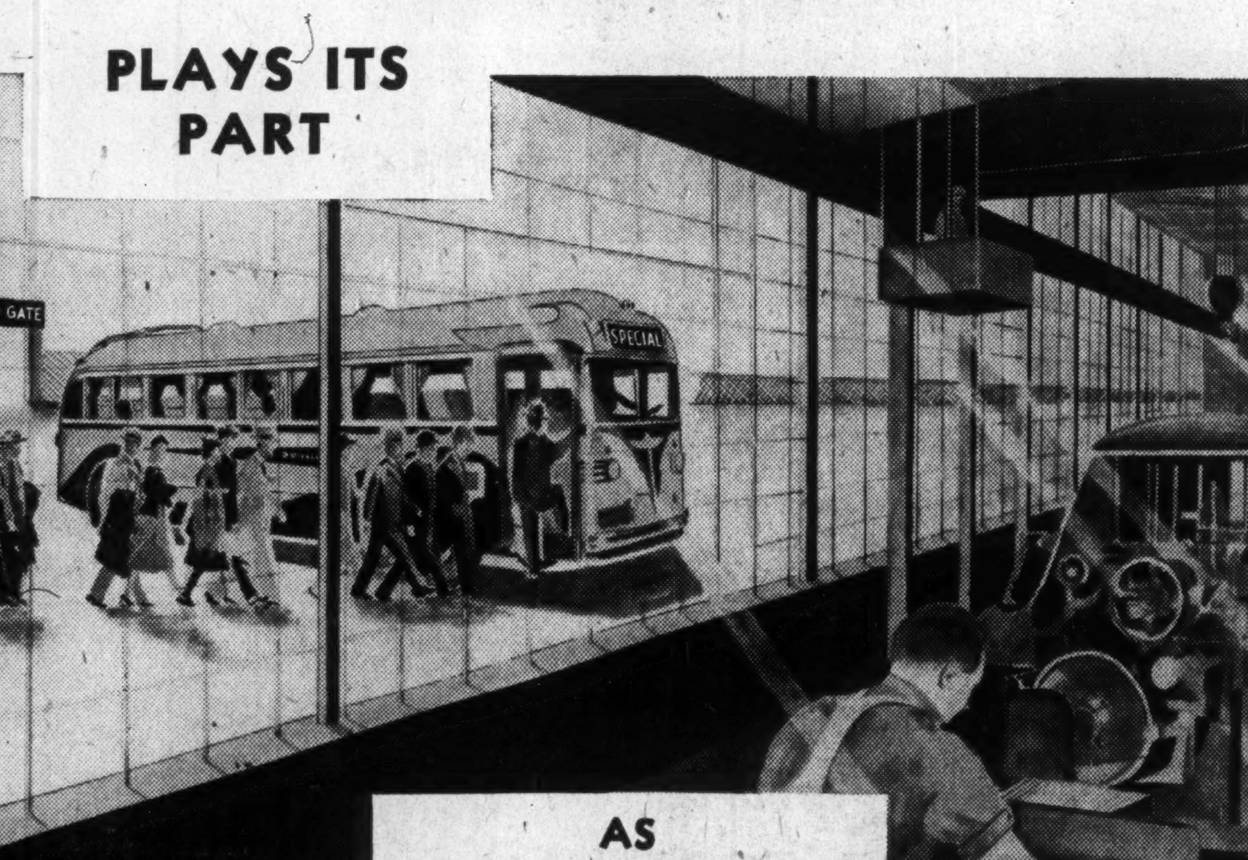
Nevertheless, the province's position is inherently sound and the rising tide of debt is well on its way to being stemmed.

Debt burden is still relatively small. In 1940 net debt charges, excluding sinking fund installments, account for only 13% of total ordinary outlay. Despite huge increases in the past few years per capita debt is still low.

Quebec is rich in natural resources. War has cut unemployment costs substantially. Income has risen because of national war policies.

Notwithstanding unfavorable developments, Quebec's administration has placed its financial operations on a sounder and more encouraging basis.

PROVINCIAL TRANSPORT COMPANY



The steady growth of the services offered by the Provincial Transport Company is in itself some indication of the industrial progress of the Province of Quebec, for this transportation system possesses a flexibility of performance that enables it to fit instantly into current needs.

Today its standard public schedules are steadily growing in keeping with public demand, and, in addition, it is helping to speed Quebec's war effort, by operating special services for workers in wartime industries, wherever such are needed — by providing facilities for large group-movements of troops and others engaged in national activities — and, by promptly meeting intermittent requirements as they occur.

Wherever travel needs warrant them, Provincial motorcoaches ply. Regular schedules on all principal highways throughout the Province, seasonal specials to winter playgrounds and summer resorts, and, through co-operative arrangements with systems outside the Province, reliable, low-cost, comfortable transportation to all principal points in Eastern Canada and the United States.

This is a progressive Quebec industry operating in a flourishing Province.

PL. 7141 PROVINCIAL TRANSPORT COMPANY PL. 7141

1188 Dorchester St. West (Corner of Drummond), MONTREAL

For the Benefit of the MINING INDUSTRY

The BUREAU of Mines is one of the most important technical departments of the Quebec Government.

Throughout the years it has grown with an ever-increasing mining industry.

For the benefit of the prospectors, the mine operators, and the public in general, the Bureau of Mines maintains the following services:

Geological Exploration
Mineral Deposits Investigation
Inspection and Safety of Mines
Mine Assessment
Draughting and Map-Making
Mine-training School
Mineral Statistics
Chemistry and Mineralogy
Mine Road Construction
Mine Villages and Town Planning
Publication of Reports and Library
Sampling and Gold Recovery Plant

PROVINCE OF QUEBEC
Department of Labour, Mines and Maritime Fisheries
[BUREAU OF MINES]

HON. EDGAR ROCHETTE, K.C.
Minister

A. O. DUFRESNE
Director

QUEBEC'S FINANCIAL POSITION IN GRAPHIC FORM

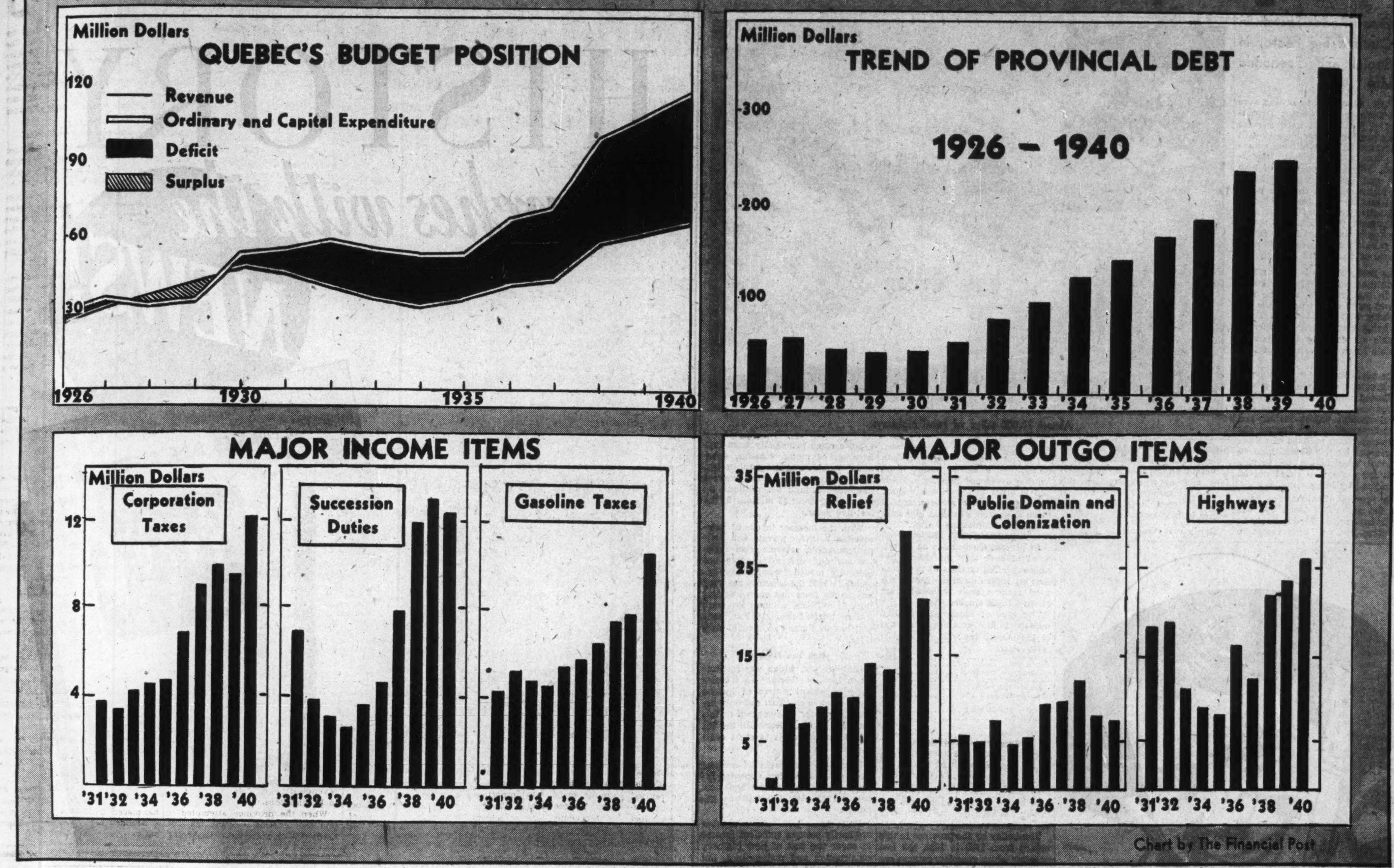


Chart by The Financial Post

QUEBEC LEADS
IN
COTTON TEXTILES

A Moco FABRIC
REGISTERED

The pay roll of the Quebec cotton textile industry is twice as large as that of all the other provinces combined.

In war as in peace, Quebec leads the Dominion's effort in the production of cotton yarns and fabrics.

THE MONTREAL COTTONS LIMITED
VALLEYFIELD QUEBEC

FORESTS

Québec, being Canada's largest province, possesses the most extensive forest areas in the Dominion, viz:

259,160 square miles

By means of careful treatment and reforestation, Québec is holding her own, as regards forest development.

The natural growth of timber annually adds to our forests some

1,200,000,000 cu. ft.

The maximum yield of Québec's forests, for one year, has reached the following peak:

700,000,000 cu. ft.

That does not include the wood cut for fueling purposes which yearly averages:

250,000,000 cu. ft.

The latest available figures show that the gross value of pulp, paper and sawmill production for last year was:

$106,182,499.00

Some 60,000 men are being employed in bush operations and a great number of both skilled and unskilled workers are kept busy in our pulp, paper and sawmills throughout the province.

Department of Lands, Forests, Fish and Game
HON. PIERRE-EMILE COTE, K.C., Minister

Highways For Millions

Good Roads System in Quebec Big Factor in Social and Economic Life

Almost 20,000 miles of good highways.

Work inaugurated during the past year by the Quebec Department of Roads will have a more direct bearing on the improvement of transportation conditions generally than any previously undertaken. While the opening of new road and grading was extensive, and many miles of concrete pavement laid, the full benefit of such road activity will not be felt until the present programme of reconstruction is completed in the fall of this year. By then Quebec will have a series of main trunk highways.

The past year has been outstanding in the annals of highway building in the province. For the first time in years main trunk roads are receiving first consideration. These are being constructed of concrete, capable of carrying the heaviest possible loads and assured of long life.

The road building programme in the Province of Quebec has been predicated upon three factors: improved social conditions; attraction of automobile tourist traffic; and unemployment relief. During the depression years millions of dollars were spent by the Government on highway construction to provide work for those who could not be assimilated by industry.

The opening of colonization areas and the growth of truck and bus traffic have necessitated not only an extension but an improvement to highway arteries. It has been possible to establish regular routes of travel to all sections of the province and as a consequence this form of transportation is now as well developed in Quebec as elsewhere in the Dominion.

The great stimulus to highway building in recent years has been the desire to encourage the growth of automobile tourist traffic. Tourism has developed into big business and in order to secure a fair share of it, Quebec has made a special drive to provide excellent highways in order to attract the visitor.

Investment $135 Millions

At present Quebec has an investment of over $135 millons in her highways. All sections of the province are linked up in the 18,500-mile good roads system radiating from Montreal and Quebec City.

The type of improved road and mileage in the province is set out in the table below:

Type of Road	Mileage
Concrete	192
Bituminous concrete	1,167
Bituminous macadam	196
Bituminous spray coat	892
Waterbound macadam	1,246
Gravel-crushed stone	14,825
Total surfaced road	18,518
Gravel	16,609
Total mileage	35,127

Spend More on Roads

For some years past the annual expenditure in Quebec on highways construction and maintenance has averaged around $10 millions annually, but in the last three years this outlay has been stepped up to over $20 millions annually.

The outlay by the province in this regard from 1930 to 1938, the last year for which complete returns are available, follows:

Quebec Highway Outlay

1938	$21,014,910
1937	11,241,112
1936	14,153,766
1935	8,311,257
1934	*7,604,301
1933	10,744,473
1932	17,590,961
1931	13,624,063
1930	13,927,756

Method of Financing

The entire highway bill must be paid out of taxes of various kinds, some levied at the time the expenditures were made and some in subsequent years for interest and retirement of debentures.

In some provinces debentures are issued for particular projects, but in Quebec the practice has been to provide for highway capital expenditures out of the consolidated fund. Again in recent years part of the outlay has been covered by Dominion Government subsidies under the unemployment relief acts. In connection with the latter it should be noted that the money so advanced was, in the main, appreciably less than that given to other provinces.

Contribution provided for Quebec highways and bridges by the Dominion Government as a means of unemployment relief is set out below:

Dominion Government Subsidies

1938	$402,049
1937	443,576
1936	1,403,136
1935	......
1934	1,315
1933	447,492
1932	......
1931	336,971
1930	121,446

Revenues for the building of highways and their maintenance in Quebec come principally from registration of motor vehicles, operators' licenses and the gasoline tax. The revenue from these sources now runs around $17 millions, an increase of about $5 millions in the last five years.

With the increase in use of automobiles, both for private and business purposes, revenue from registrations and drivers' licenses has naturally moved forward. For example in 1922 the province reported an income from this source of less than $2 millions, whereas last year income totalled nearly $6.9 millions and has at times exceeded $7 millions.

Gas Tax Higher

Gasoline tax, which was instituted in 1924, has become an increasingly important source of income for the province. This not only reflects a greater consumption of this fuel, but also an advance in the tax rate from two cents to eight cents a gallon.

Since 1935 the provincial revenue from gasoline tax has exceeded income from registrations and now amounts to over $10 millions annually.

From these two sources Quebec ordinarily secures sufficient income to cover the cost of new highway construction and maintenance, but not sufficient to take care of interest charges on the capital invested.

Quebec's Farms Electrified

Rank With Ontario In Percentage of Farms Lighted

Percentage of Quebec farm homes supplied with electricity and gas lighting is exactly the same as in Ontario and more than double the average for the Dominion as a whole.

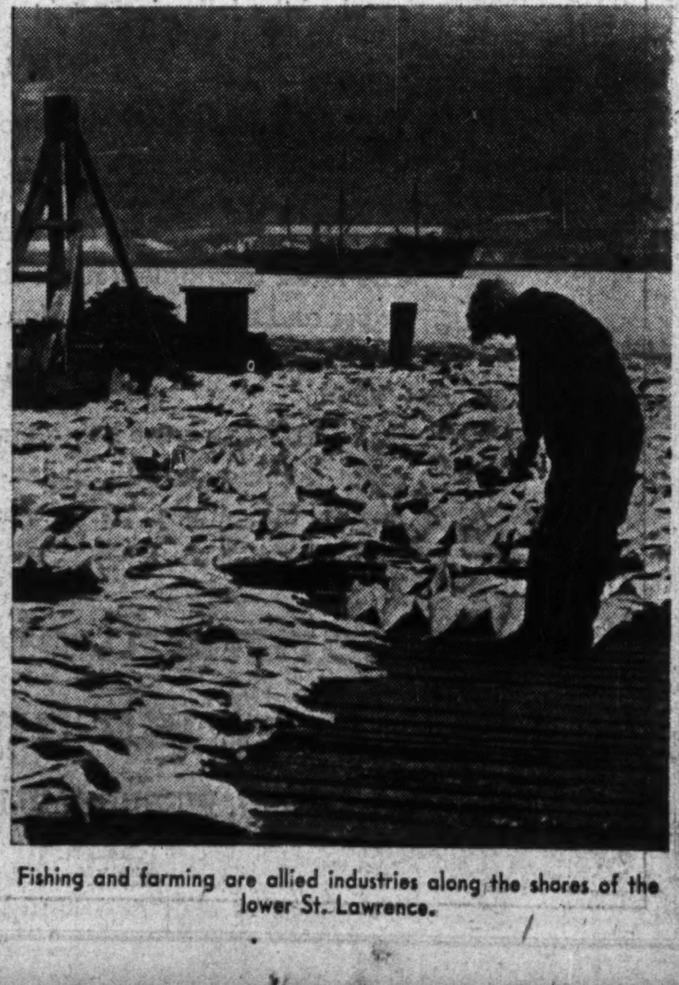
According to the most recent survey, 1938, 31.2% of Quebec farms were supplied with electricity and gas lighting. Ontario had the same percentage.

On Par With Ontario

In the period from 1931 to 1938 British Columbia was the only province to show a decline, as will be seen from the following table:

Percentage of Farms Supplied With Electricity and Gas Lighting

	1938 Survey	1931 Census
P. E. Island	22.4	4.0
Nova Scotia		9.5
New Brunswick		7.4
Quebec	31.2	14.0
Ontario	31.2	16.8
Manitoba	5.5	3.7
Saskatchewan	9.5	2.9
Alberta	6.6	2.9
B. C.	7.1	24.6
Canada	14.7	10.1



Fishing and farming are allied industries along the shores of the lower St. Lawrence.

"Sweet Caps received ...thanks a million!"

He is a Canadian boy in a military camp somewhere in the English countryside, an ocean's width away from home, under the strain of war-training, of danger, and of waiting. He wrote, saying "thank you" for a supply of cigarettes, "Received smokes o.k., thanks a million!"

Smokes from home! Everyone who has travelled, even in the pursuits of peace, knows the nostalgic thrill of the old familiar taste and fragrance. No wonder Canadian boys overseas find it "swell" to be able to relax under the soothing influence of tobacco from home!

War has always emphasized the kindly uses of tobacco. The Indians discovered its sustaining powers long before the Palefaces took it to Europe. During the Great War No. 1 an army commander reported to his war office "Tobacco is as indispensable as the daily ration; we must have thousands of tons of it without delay."

Canadian soldiers overseas depend for their supplies on the remembrance of civilians at home. Since they are doing so much, enduring so much, giving up so much to preserve Canada in security and comfort, wouldn't you like to express your personal gratitude by making a contribution of "smokes from home"? It is a small thing to do, and easy, but it will be deeply appreciated "over there"!

"We Want SWEET CAPS"

$1.00 sends 300

SWEET CAPORAL or WINCHESTER cigarettes OR $1.00 will send either 1 lb. of OLD VIRGINIA pipe tobacco OR 1 lb. of SWEET CAPORAL cigarette tobacco (with Vogue papers) to Canadians serving in C.A.S.F. overseas only. Also to Canadians serving in the British Forces in the United Kingdom.

$2.50 sends 1,000

cigarettes to an individual or unit.

Address "Sweet Caps"

P.O. Box 6000, Montreal, P.Q.

IMPERIAL TOBACCO COMPANY OF CANADA, LIMITED

HISTORY marches with the NEWS!

THE EVENING STAR.

The Montreal Daily Star

MINISTER FORESEES R.A.F. SUPREME IN 1941

British Fighters Now Superior To Enemy

Roosevelt Bans Revising British Aid Bill

They Fight For Freedom Over England

Page 1 of "The Evening Star" January 1869 and Page 1 of The Montreal Daily Star, January 1941.

In 1869, Canada was two years old with a population of scarcely three and a half millions. The struggling young Dominion consisted of four provinces bound together in a shy, new partnership . . . At that time, Montreal was lit by scattered gas lamps, the dockside was Main Street, and Beaver Hall Hill marked the end of town.

On a cold January day in Montreal in 1869, the first copy of "The Evening Star" rolled off a flat-bed press. Within its modest four pages were a few columns of foreign dispatches, some news from Ottawa, two columns of city news and several columns of advertisements. News arrived slowly in 1869. It took fourteen days for the fastest ship to reach Halifax from Liverpool.

Seven decades have seen time and events march on amid stirring changes. Canada has grown and prospered among nations — Montreal has become a world metropolis and millions of copies of "The Evening Star" — now the Montreal Daily Star — have rolled off the presses.

Today, the metropolitan Montreal Star, ranking with the foremost newspapers on the continent, is read and quoted throughout the world. Over its pages has moved a cavalcade of history, but no news so significant as that written in today's tense headlines.

Against the background of total war, the Montreal Star is marching confidently along with Canada — serving its community — helping to preserve and strengthen the bonds of Empire.

Newspaper readers are not interested in the problems besetting a newspaper, but they are interested in its romance and scientific progress. Hence the above reproductions of the Montreal Star's front page reveal the amazing improvement through seven decades of gathering and presenting the news.

Crises in world affairs serve to emphasize the claim of the newspaper to be the cheapest and most necessary medium of universal thought and communication on earth;—A Free Press, the Rampart and Palladium of Liberty!

The Montreal Daily Star.

"Canada's Greatest Newspaper"

☆

THE FINANCIAL
POST
TORONTO, FEBRUARY 8, 1941

Quebec's Industry Vital In Nation's War Effort

Quebec has just rounded out one of the best years in its history. Final figures are expected to show dollar value of productive effort was greater than ever before, including such years of exceptional activity as 1937 and 1929.

The first full year of war saw production stepped up in practically every form of economic activity. Facilities were utilized to the utmost. Extensions were made to plants and new establishments erected to meet wartime demands.

Throughout the province all forces were directing toward producing war materials and supplies. In the mines, the forests, power plants, mills, on the farm and on sea, the whole productive effort of the province was directed toward increasing output. Disruption of overseas markets affected some industries, but the opening of new markets and the increase in demand from domestic and other established markets, enabled the province to increase its income to a higher level than ever before.

Big Factor in Nation

In its estimate of provincial income for 1940, The Financial Post Business Year Book places gross revenue of Quebec at $1,163,575,000. This represents an increase of nearly $60 millions over the previous year, and advanced the per capita purchasing power from $345 to $358.

For the Dominion as a whole, national income increased last year by $400 millions to $4,800 millions.

Quebec's proportion of the total income was nearly 25% and of the increase more than one-seventh.

Examination of the returns for all nine provinces, in relation to the Dominion total, shows that Quebec ranks second to Ontario as a producer of new wealth.

This province provides nearly four times as much of the national income as the three Maritime Provinces together, and almost as much as the whole of Western Canada. Quebec's net value of production is four times greater than in Manitoba or Saskatchewan; three and a half times that of Alberta and nearly three times the amount reported for British Columbia and the Yukon.

Before examining the current position of Quebec's key industries, a survey of the province's productive efforts and their relation to those of the Dominion as a whole, provides a necessary background. It aids appreciation of the important position which Quebec occupies in the Canadian economy in peace and wartime.

Output $765 Millions

The latest survey of the Dominion Bureau of Statistics gives Quebec province a net production of nearly $765 millions in 1938. This represented 25.69% of the total Dominion returns.

Despite a decline of nearly 8% in commodity values, this represents a gain of around $5 millions over the net income reported for the previous year.

The importance and relative position of Quebec's production, on a net basis, compared with the other provinces, is set out in the following table:

Production by Provinces (1938)

	Net output	% of total	Per capita
P. E. I.	$ 11,832,958	0.40	$125.88
N. S.	99,158,589	3.33	180.95
N. B.	70,047,728	2.35	157.41
Que.	764,189,933	25.69	240.92
Ont.	1,292,574,329	43.46	346.44
Man.	145,101,719	4.88	201.53
Sask.	136,980,819	4.60	145.57
Alta.	208,382,832	7.01	266.13
B. C.	246,404,547	8.28	317.94
Total	2,974,673,454	100.0	265.38

A breakdown of the 1938 returns as they apply to Quebec is not available. However, that for 1937, when production value was practically the same, gives a comprehensive idea of the relative importance of the various branches of productive effort in the province.

In that year manufactures accounted for more than half of the total. Agriculture ranked second, followed by forests. Except for fisheries and trapping—relatively minor items—all sections reported an increase over the preceding year.

Net Value of Production in Quebec

	1937	1936
Agriculture	$110,218,770	$109,714,980
Forests	103,861,092	84,786,485
Fisheries	1,818,548	2,030,640
Trapping	1,428,020	1,449,285
Mining	60,872,828	44,823,567
Electric power	50,511,494	45,912,902
Construction	51,464,002	34,834,536
Custom and repair.	21,384,380	19,186,570
Manufactures	445,885,666	377,514,998
	759,264,651	648,790,860

The relative importance of each branch is set out in the table following, which shows the relationship between industries on a percentage basis.

Ratios of Production of Principal Industries

	Quebec %	Canada %
Agriculture	16.91	25.84
Forestry	13.07	8.83
Fisheries	0.31	1.30
Trapping	0.22	0.35
Mining	6.91	11.11
Electricity	7.08	5.08
Construction	5.37	5.17
Repairs	2.96	2.70
Manufactures	47.17	36.92
Total	100.0	100.0

Figures May Mislead

These figures are apt to leave a misapprehension as to the relative importance of the productive sources of income in Quebec. For example, the table indicates Quebec is a manufacturing province; over 47% of the total net income is derived from that source.

This is true but it must be borne in mind the trend toward industrialization, which has been noted for some years past, has been due in large measure to the exceptionally rich natural resources of the province. In addition Quebec is fortunate in having exceptional transportation facilities—both rail and water—as well as being the centre of an area holding about one third of the Dominion's population.

Socially agriculture is of greater importance than manufactures, as one third of the people in Quebec live "off the land," but in the creation of new wealth, industry is nearly three times as important as agriculture.

Again it might be said the preponderance of manufacturing returns in net value of production figures is apt to be a little misleading unless interpreted in relation to other basic industries.

The forests, for example, provide raw materials for a large percentage of the manufacturing in the province, notably pulp and paper.

Mining has its influence on the electro-chemical and electro-metallurgical operations, the latter being included as a manufacture.

Agriculture contributes its share.

To be kept in mind, therefore, is the fact that the economy of Quebec is better rounded-out than is indicated in official returns.

Since compilation of these returns a number of front-rank developments have taken place and have had a profound influence on the economic life of the province.

War Has Influence

War, with its insatiable demand for a multitude of war materials and supplies, has had an influence directly and indirectly on every form of endeavor within the province. In some cases it has meant capacity operations of all facilities; it has meant the switching from one line of product to another more in demand. It has meant establishment of new industries.

All this has brought about a widespread increase in employment. Skilled and semi-skilled workers are in demand. Wages of the worker have been increased. The millions of dollars spent by the Dominion Government in the war effort have meant a vast improvement in the spending power of thousands and thousands of workers.

In turn this has made, at least for the time being, for a sharp upsurge in demand for many products—particularly those usually classified as "consumer's goods." Those industries not directly engaged in war work, or whose facilities are not adaptable for that purpose, have found themselves working to capacity in order to meet a demand for which war has been directly responsible.

There has been a marked change in the economy of Quebec, just as in every other province, and for that reason a new appraisal of the situation and outlook is of importance.

Agriculturally the situation has not shown as great a basic change as has been the case in a dozen and one other industries. Higher prices for foodstuffs have brought larger incomes to farmers. Marketing, on the other hand, has grown more difficult. Demand from the United Kingdom for butter, cheese and bacon at fixed prices assures an outlet for these products. But, in the main, farmers have not been satisfied.

This condition, common to agriculture across the country, does not arise from any sense of begrudging goods to Britain. The difficulty lies in the fact that with prices fixed for three of their most important products, and with uncontrolled rising of prices on goods which they have to buy, the farmers naturally feel their position is difficult.

However, the farm problem is chiefly one of prices. The problem no doubt will right itself and once righted, the farmers will share in the larger buying power created by the war effort.

Forestry operations reached a high level in 1940. In the first place there was a broad demand for all types of lumber products in connection with building of soldier camps, new plants, etc. The large number of temporary structures built to house war plants were, in the main, of timber construction.

Forestry Outlook

Timber needs of the United Kingdom also reached near record proportions—a large quantity of Quebec lumber found its way to the other side.

Outlook for the Quebec lumber trade this year appears a little indefinite, though, on the whole, operations should be above average. Demand from England is not likely to be as great as in 1940 because of the temporary lack of shipping facilities. However, this is a condition which might change quickly.

Last year was an excellent one for the pulp and paper industry. While volume of production did not reach the same level as in the record year of 1937, still it was not far short. On the other hand, dollar returns were considerably above that for any other year on record.

Elimination of the Scandinavian mills from international markets made for greater dependency than ever on the Canadian mills, especially newsprint and pulp plants. There also was a heavy increase in sales of board, as well as kraft papers. Fine paper output was marketed in the Dominion.

Prospects at this stage are that sales of board, fine papers and pulp will be maintained during 1941. Indications are, on the other hand, newsprint sales will be somewhat lower; just how much will depend on developments throughout the year.

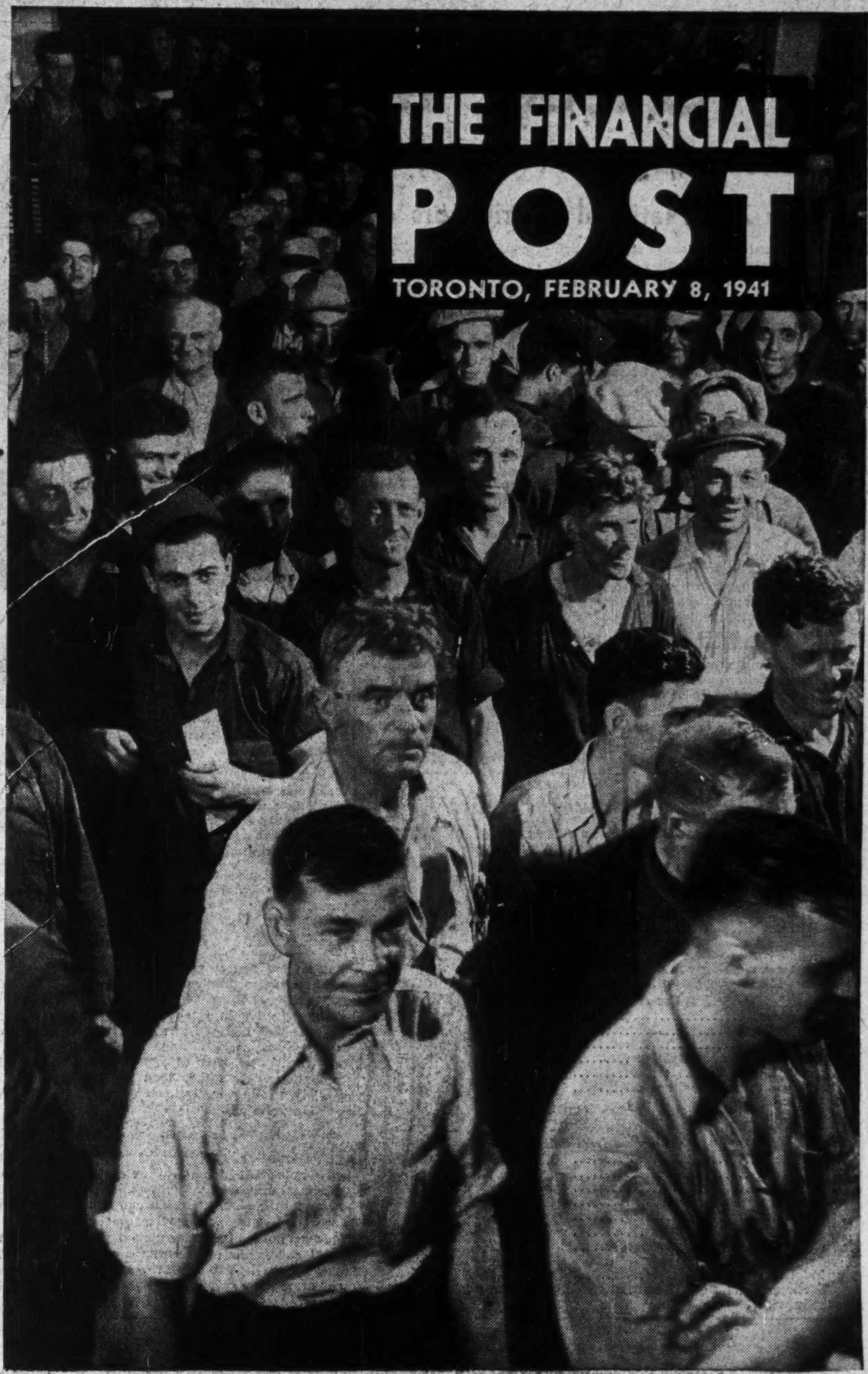
The expected decline in newsprint sales—from 150,000 to 200,000 tons—is based on the belief that some importing countries will restrict purchases because of exchange difficulties. However, the all-important market of the United States is not expected to use less newsprint paper in 1941 than was the case in 1940.

It might be pointed out sales of newsprint paper to the States provide Canada with one of its most important sources of U. S. currency. Last year, it is estimated, newsprint sales in the States brought to Canada around $140 millions. Of this sum about $90 millions was credited to Quebec plants.

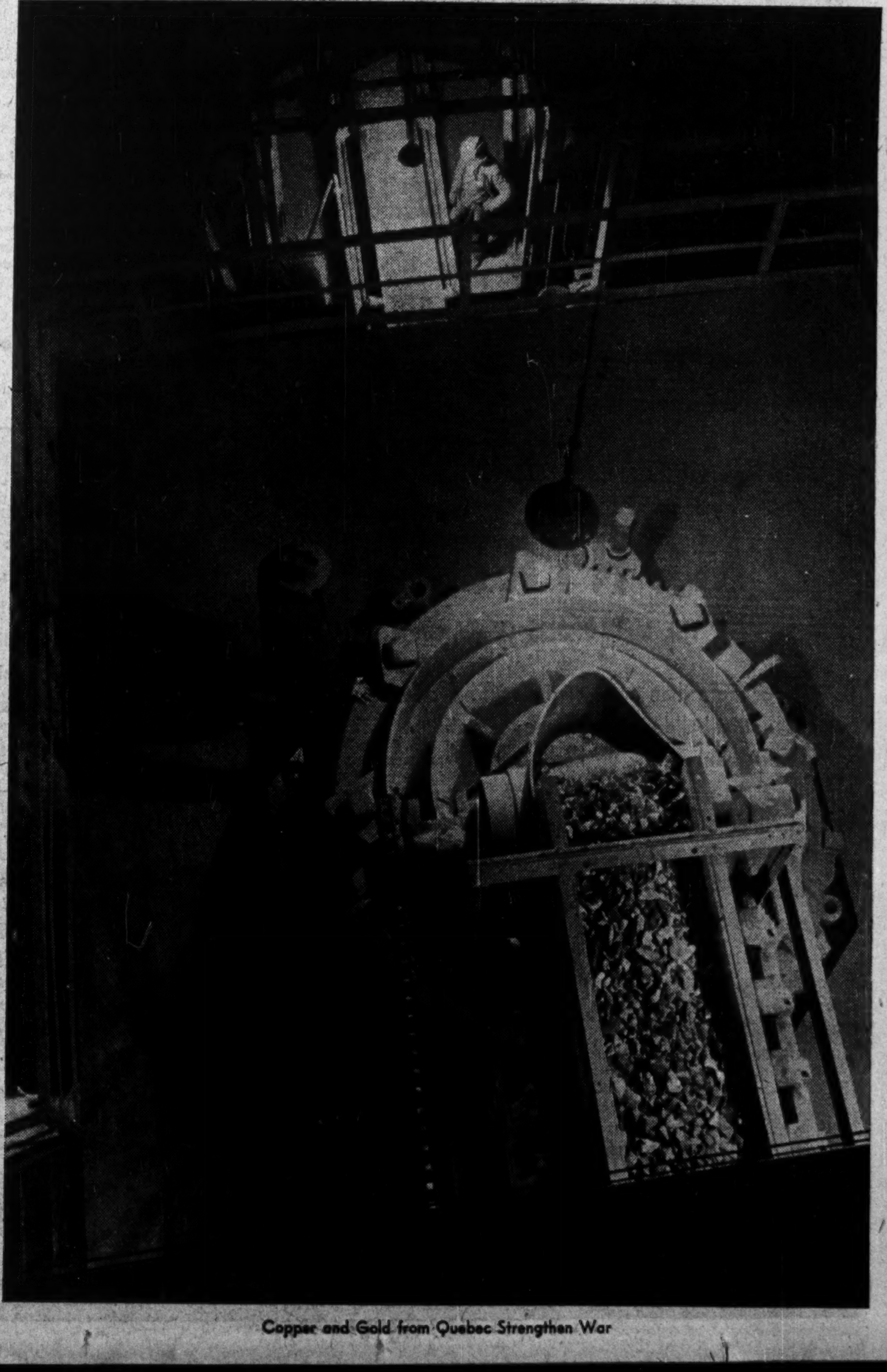
Mining Speeds Up

Mining was the salvation of Quebec during the depression years. The outstanding story of this industry's growth is without equal in Quebec's 300 years of history. Less than two decades ago the value of mineral production, consisting almost entirely of non-metallics, was around $25 millions.

(Continued on page 43)



Quebec's Men and Women Fabricate Aircraft



Copper and Gold from Quebec Strengthen War

Quebec Beckons Merchandisers

Close Study Seen Necessary By All National Distributors

Most national distributors of merchandise appreciate the value of a firm foothold in the Quebec market. The most successful ones realize the importance of giving the world's largest French-speaking market—outside of France—the same close attention as is paid to the English-speaking market.

A primary consideration in analyzing the Quebec market is a close study of the racial origins of the people. While manufacturers and distributors are well aware that French Canadians outnumber other racial types, they sometimes fail to realize the basic qualities of this group, as well as the primary requisites necessary for successful marketing in the area.

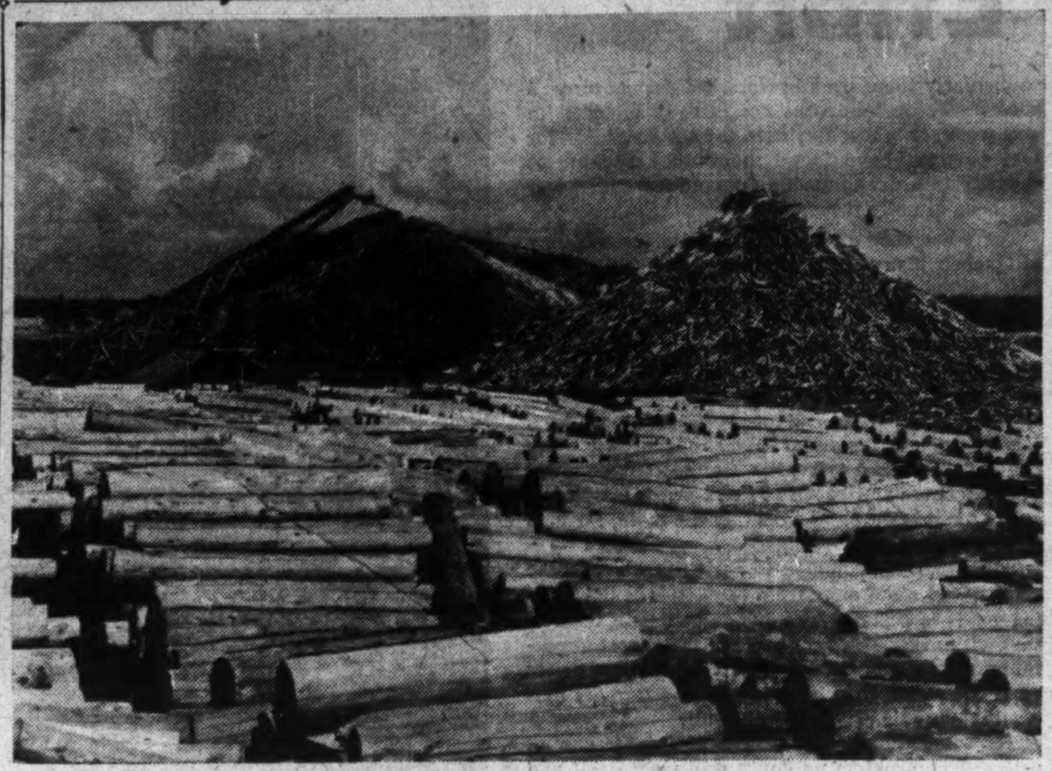
Avoid Past Mistakes

There was a time when a number of failures brought sharply into focus the difficulties which might be encountered in selling to Quebec. However, manufacturers have learned to avoid mistakes made in the past, have a better understanding of the French-Canadian point of view. They have established themselves on a sound basis in a community which spends money freely, whose annual income varies less than in any other section of equal size in the Dominion.

In considering French-Canadian buying power, certain cardinal principles must be kept in mind. The typical French Canadian speaks, reads and thinks in French, attends services in French churches; goes to French schools and universities, amuses himself at French clubs; patronizes French hospitals; speaks French in court and elsewhere. The French market cannot be developed properly without a sales appeal made in French and catering to characteristics peculiar to the French Canadian.

The French Canadian is thrifty in the best sense of the word. If he sees what he needs and is convinced that the article in question measures up to his requirements, he will usually buy it. But he has to be convinced.

In Quebec there is a large rural population which has tilled the same land for 300 years. The French-Canadian farmer does not work to make a large profit quickly. Farming is his life business just as it was his father's and will be his son's after him.



Raw material for Quebec's huge pulp industry.

Progress has been made in realizing these conditions peculiar to Quebec.

Though it is dangerous to make a broad statement in connection with any individual market, it is safe to say there are certain merchandising policies which do not find favor with the French-thinking Quebeckers.

In the first place the group appeal should be used sparingly. French Canadians like to be different from one another. They are individualistic and want personal consideration.

The scare appeal and the innuendo appeal, so prominent in many national advertising campaigns, is rarely effective in Quebec. Again there is the high-pressure "do it now" appeal which finds scant sympathy. This type of approach tends to irritate rather than sell; possibly another indication of the individualistic attitude.

Advertise in French

Does French advertising pay? The answer is that dozens of extra-provincial firms do a very profitable business in Quebec. There are many degrees of success, of course, but one must not put the blame upon the tastes and habits of French Canadians for the lack of success of certain firms. Some would have them buy goods which their housewives make better than any factory can produce.

There is the case of the firm which could not understand why the French people would not buy its fruit jams. This producer did not know that French Canadians like a very sweet product and that they have become accustomed to preserves made "pound of sugar to pound of fruit" combination, which English-speaking people would find too rich.

One of the great difficulties in French advertising has always been that of translation. There is considerable difference between the presentation of an argument in French and in English. Just as French speakers go in for elequence and what is called gesticulating, while the English seem more matter-of-fact and logical, the contrary happens in writing.

French Canadians are not more invincible to the appeal of advertising than are other races, but that appeal must reach their hearts through their minds. They hate extravagance and despise dullness of language. French advertising must be prepared with care if it is to achieve results. Literal translations are the product of the unlearned and incompetent.

Some of the English advertising copy which has appeared in French in Quebec does not even make sense. Further, correct translation into French will not suffice as a rule. Knowledge and trust of his mind must be conceived before effective advertising copy can be prepared; through that knowledge is obtained a vision of the true value of the market.

Statistics are the foundation of any sales campaign and in studying the Quebec market they can lead astray or put the distributor on the road to building up an important market for his products. Proper interpretation of the statistics available on Quebec is highly important. Many distributors have been misled by the appearance of limited purchasing power of the individual Quebecker. They fail to give these figures more than a casual study and seldom consider the all-important matter of family life in Quebec.

Statistics relative to Quebec should be calculated on a per family basis rather than on a per capita basis. On the latter basis, consideration is taken only of the number of individuals, be they old or young. Obviously with the high percentage of children in Quebec, statistics are thrown out of gear in making comparisons.

Take per capita wealth. In Ontario it is $3,188—in Quebec it is $2,982. The deduction might reasonably be made from these figures that the French Canadians are poorer prospects for a sales campaign than their neighbors in Ontario. Now take the figures on a per family basis and a different picture will appear. The average number of persons per family in Ontario is 4.30 and in Quebec 5.35, indicating the average wealth per family in Quebec is higher than in Ontario.

The number of children in Quebec is a definite factor to be considered in marketing calculations. The average size of Quebec families is 3.58, compared with the Dominion average of 2.99 and on the difference between these two figures depends a host of important matters.

The last census shows that of the 2,311 families in the Dominion having 12 or more children in the family, no less than 1,440 reside in Quebec. The number of Quebec families having more than 5 and less than 12 children totals nearly 115,000.

Keeping this in mind an entirely new light is shed on the business of making up statistics in reference to the Quebec market, for it is the children who make statistical figures deceive when the province of Quebec is considered.

Family life in Quebec consequently must be considered in surveying the Quebec market. These large families tend to keep family ties strongly knitted, which in turn finds reflection in various characteristics inherent in Quebeckers.

Quebec's Power Picture

PRODUCTION AND SALES OF ELECTRICITY BY THE 29 PRINCIPAL DISTRIBUTORS IN QUEBEC*

(9 Months Ended Sept. 30)

Returns in Kilowatt Hours

	1940	1939
Total production	12,072,725,977	11,045,016,195
Total sales	11,543,655,972	10,503,030,782
Primary sales in Quebec	5,972,758,299	4,861,685,964
Secondary sales in Quebec	2,597,400,156	2,923,300,926
Export sales (primary)	2,973,497,517	2,534,227,711
Export sales (secondary)		183,816,181
Use of Primary Energy		
Domestic	212,397,850	201,360,271
Commercial	206,133,481	186,903,496
Industrial	5,309,497,058	4,234,530,561
Municipal power and lighting	103,203,710	100,995,901
Transportation	111,308,662	111,356,515
Wholesale to municipalities	30,217,538	26,539,220
	5,972,758,299	4,861,685,964
Revenue from Sales		
Domestic	$ 6,232,871	$ 5,952,793
Commercial	5,551,398	5,205,382
Industrial	22,197,298	19,449,933
Municipal power and lighting	1,335,822	1,298,760
Transportation	906,088	915,559
Wholesale to municipalities	230,349	202,623
Exports (primary and secondary)	7,251,743	6,745,314
Total	43,705,469	39,780,364

* Between them, these 29 distributors do 99% of the electricity business in the province.

Abattoirs in Quebec Boost Output 11%

Abattoir operations in Quebec resulted in an output last year exceeding $20 millions. This is the highest figure reported by the industry in years and reflects the unusual demands arising out of war conditions. In the last year for which complete statistics are available, the abattoirs of the province processed 162 million lb. of meats worth $18 millions.

Quebec Abbatoir Operations (1938)

	lbs. Slaughtered	Value
Cattle	59,140,282	$5,201,[illegible]
Sheep	5,531,558	868,618
Hogs	80,107,664	10,239,714
Calves	17,689,628	1,683,[illegible]
Total	162,469,132	18,013,[illegible]

WAR SAVINGS CERTIFICATES

Let Your Dollars Serve

●

Pledge to the Limit

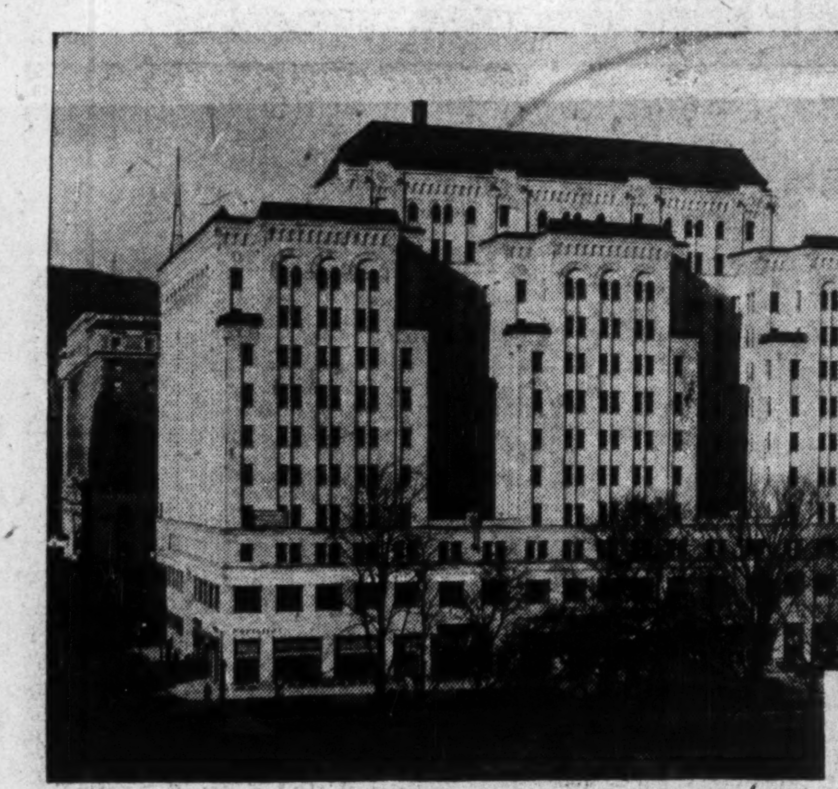
Work-Save-Lend

for Victory

DOMINION SECURITIES CORPORATION LIMITED

TORONTO MONTREAL WINNIPEG VANCOUVER NEW YORK LONDON, ENG.

15 King Street West, Toronto



THE offices of the Montreal Industrial and Economic Bureau are conveniently located in the heart of the City's uptown commercial district, close to all railway terminals and principal hotels.

As Canada enters upon a new phase of industrial expansion, Montreal, its metropolis, continues to set the pace for an era that many people believe is destined to establish the Dominion as one of the great industrial nations of the world.

MONTREAL

THE METROPOLIS OF CANADA

● For more than three centuries it has been the cradle of nation-builders; the home of national institutions. Great banks grew up here. Mighty railroads spread their net-work east, west, north, south, to open up a continent. Its natural harbour has been developed until to-day it is one of the great ports of the world. It is the centre of a vast power industry. Natural resources lie abundant in the immediate hinterland. Nowhere on the North American continent is there a finer body of industrial workers. More than one-tenth of the population of the Dominion reside within its metropolitan district.

Get the facts on Montreal as they apply to your business. An enquiry addressed to the Montreal Industrial & Economic Bureau will bring quick response. It won't cost you anything. It involves no obligation. Of course, it will be treated as confidential.

MONTREAL INDUSTRIAL & ECONOMIC BUREAU

SUITE 806 - - DOMINION SQUARE BUILDING

Geo. S. Mooney
Valmore Gratton - Co-Directors

Industry

Nowhere in the world can be found such reverence for law, order and social justice as prevails in this Province.

Labour and capital live on friendly terms and workers feel contented.

Québec is blessed with a remarkable stability which strongly appeals to Canadian, British and foreign investors alike.

Let us quote a few recent figures with reference to industry here:

Number of industrial establishments	8,655
Capital invested	$1,146,235,084.00
Number of employees	214,397
Total salaries	$ 213,390,084.00
Gross value of products	$ 983,123,599.00
Net value of products	$ 428,614,079.00
(Exclusive of extractive industries, agriculture, forestry, mining and central electric stations.)	
Number of stores	34,286
Total net sales (estimated value)	$ 564,537,000.00
Value of external trade;	
Imports	$ 195,054,323.00
Exports	$ 471,160,676.00

In order to further stabilize economic conditions, municipal finances are submitted to close supervision, and, if a corporation should happen to be in default, it is taken under the tutorship of the Québec Municipal Commission and rapidly reorganized on a sound business basis.

Department of Trade and Commerce and Municipal Affairs

HON. OSCAR DROUIN, K.C., MINISTER

Power Resources Further War Aims

Quebec Industry's Readiness Big Factor in Meeting Needs

Expansion of industrial production and establishment of new plants to produce war materials and supplies has been governed largely by ability of the power companies to provide electric power. There has been no hold-up in the programme because of power shortage due to the industry's effort to anticipate power needs.

Preparedness for war production has been the prime objective of the Quebec power industry throughout 1940 and into 1941. Not only have the power companies sought to provide for the rapidly increasing demands for electrical energy within their own territories, but they have co-ordinated their several high tension systems to ensure a more efficient total power output than has hitherto been thought possible.

More Power Available

There should be available in 1941 for war purposes in the province of Quebec over 550,000 h.p. more than during 1940. New generating capacity totalling 275,000 h.p. is rapidly being brought into production. Another 200,000 h.p. will be freed through curtailing use of electrical energy for steam boilers in the electro-chemical and pulp and paper industries. Another 50,000 h.p. will be saved through other readjustments as, for instance, continuation of daylight saving through the winter months. Furthermore, increased storage capacity will permit greater output from better river regulation.

Doing Big Job

There is probably less public appreciation of the contribution made by Quebec power companies, says James Wilson, president of Shawinigan Water and Power Co., than is the case in other fields of economic activity.

Quebec's power operators have made available a larger quantity of power to meet war needs and those industries whose business has been favored since the war started.

During the first 11 months of 1940 power consumption in Quebec reached the record figure of 11,072,364,000 kw.h., according to the Dominion Bureau of Statistics. This contrasted with 10,656,045,000 kw.h. in the like period of 1939.

Set Record in 1940

The expansion in power consumption in Quebec since the beginning of 1939 is shown in the following table:

Power Consumption in Quebec*
(Thousands of kilowatt hours)

	1939	1940
January	979,948	999,940
February	918,624	974,504
March	977,400	967,193
April	888,629	912,654
May	961,173	1,092,838
June	923,873	1,087,747
July	911,198	1,108,057
August	943,684	1,022,598
September	980,587	958,762
October	1,090,292	984,374
November	1,080,966	963,697
December	1,015,906	......
Total	11,671,951	......
11 months total	10,656,045	11,072,364

*Production plus provincial imports less provincial exports.

Firm Power Sales Grow

The figures set out above give the over-all increase in power consumption. A more reliable guide to the greatly increased wartime demand for Quebec electrical energy is to be seen in the figures on firm power consumption, which is a more accurate measure of industrial activity in the province. Again using the Dominion Bureau of Statistics, returns show that firm power consumption in the Province of Quebec last November was 27.8% greater than for the same month in 1939.

Since a year ago last June there has been a consistent rise in the firm power load of the Quebec utility companies. At that time it amounted to 553,178,000 kw.h. of electrical energy and for last November 770,369,000 kw.h.

Meet Wartime Demand

This is an abnormal advance and yet through the co-ordination of high tension transmission systems, restriction in boiler load and other economies, the industry has successfully met this wartime need.

Firm Power Consumption in Quebec*
(Thousands of kilowatt hours)

	1939	1940
January	575,646	640,877
February	522,681	611,499
March	576,369	657,355
April	551,882	651,597
May	565,998	694,712
June	553,178	673,399
July	568,078	687,804
August	591,654	719,572
September	569,086	720,615
October	614,078	783,578
November	603,321	770,369
December	605,716	......

*Output less exports and deliveries to electric boilers, plus imports.

Restrict Boiler Load

One of the major steps taken by the Quebec power industry to meet this greatly increased demand was to restrict deliveries of energy to electric boilers. Advance notice has had to be given to some companies to arrange for alternative sources of steam, so that this phase of the power operators' war programme has begun to show results only since last July. As previously mentioned at least 200,000 h.p. will be made available this year through curtailment in the use of electric boilers. This amount will be increased greatly if 1941 proves to be a good water year.

The results of this wartime policy are set out below:

Deliveries to Electric Boilers in Quebec
(Thousands of kilowatt hours)

	1939	1940
January	404,302	359,063
February	395,943	363,005
March	401,031	309,838
April	336,747	261,057
May	395,175	398,126
June	370,695	414,346
July	343,120	420,253
August	352,030	303,026
September	411,501	238,147
October	476,214	200,796
November	477,645	193,328
December	410,190	......
Total 12 months	4,774,593	......
Total 11 months	4,364,403	3,460,987

Vital Factor in Growth

So much for Quebec power industry's share in the war effort. In peace the industry's contribution to the economic and social advancement of the province has been of vital importance.

The timber resources of the Lake St. John and Saguenay regions; of the Upper St. Maurice and the Gatineau River valleys, would never have reached their present stage of development had it not been for the close proximity of immense resources of water power. Nor would the mining industry have grown at such an amazing rate in recent years, nor the multitude of industries from one end of the province to the other.

One and all their development has been largely, and in some cases wholly, dependent upon an adequate supply of low-cost power. This has been made possible through the development of water power sites from as far north as Lake St. John to the Ontario border.

Takes Place of Coal

Quebec, like the sister-province of Ontario, while having an abundance of natural resources, is lacking in coal. But water power has been used successfully for motive power, lighting and domestic uses. In some areas hydro-electricity has even replaced coal for heating purposes. While as yet not general, at some future date electricity may come into general use for heating, just as it took the place of coal in the generation of steam for the pulp and paper plants.

Quebec is singularly fortunate in her water power resources. The topography of the land is conducive to a great water power industry. The immense water-sheds in the Laurentians and the flow southward to the St. Lawrence have created numerous water power sites of the first magnitude, not only close to the large industrial centres, but extremely economical of development.

These resources, while widespread, are concentrated in several well-defined areas. In the north is Lake St. John flowing into the Saguenay, which in turn is fed by the Shipshaw and other important rivers. Here are the huge power plants of Aluminum Power Co., Saguenay Power Co., Price Bros & Co., Quebec Pulp and Paper and other operators, generating in all over one million horsepower.

Moving up the St. Lawrence to the St. Maurice River, there is one of the largest concentrations of hydro-electric energy in the world. Through construction of the Gouin and subsidiary dams, the flow of this mighty river is regulated to make possible the development of over 2,000,000 h.p. on this river alone. At present several sites have been developed making available over a million horsepower.

Much Around Montreal

In the Montreal region the outstanding development is that at Beauharnois with an installation of over 500,000 h.p. Nearby is the huge plant of the Cedars Rapids Power and Manufacturing Co. and the smaller plants of the Lachine Hydraulic and Canadian Light and Power Co. and, on the Back River, Montreal Island power plant.

In the Eastern Townships of the province there are a number of power developments. While they are relatively small, still the amount of hydro power made available has been a major factor in the industrial development of the area.

Along the Gatineau and Ottawa rivers are a number of major power projects, including the three large plants of the Gatineau Power Co., the Ottawa Valley Power plant at Chats Falls and on the Lievre River, the big power plant of the Maclaren-Quebec Power Co.

Wealth of Developed Power

Development of the power resources of Quebec has proceeded steadily and, at times, at an amazing rate. In 1900 the turbine installation capacity was only 82,864 h.p. At the beginning of 1941 the installation had grown to 4,320,763 h.p., giving the province more developed hydro power than is to be found in all Asia, South Africa or even South America.

The trend of hydro power development in the province since the turn of the century follows:

At end of	Installed Capacity H.P.
1900	82,864
1905	183,799
1910	334,763
1915	803,786
1920	955,090
1925	1,749,975
1930	2,695,118
1935	3,853,320
1936	3,882,320
1937	3,999,686
1938	4,031,063
1939	4,084,763
1940	4,320,763

Reasons for Growth

It will be noted installations over the 40-year period have shown a tendency to move forward in "jumps." The reason for this is readily explainable and accounts, in a large measure, for the "bigness" of Quebec's water power industry.

The Saguenay power developments were designed to meet power needs of pulp and paper mills and the huge electro-metallurgical enterprise at Arvida. These plants require several hundred thousand h.p. of electrical energy for their every day needs.

Pulp and paper mills also have played an important part in the growth of the developed power resources in other parts of the province, notably in the St. Maurice Valley, the Eastern Townships, the Lievre river section and the Ottawa and Gatineau areas.

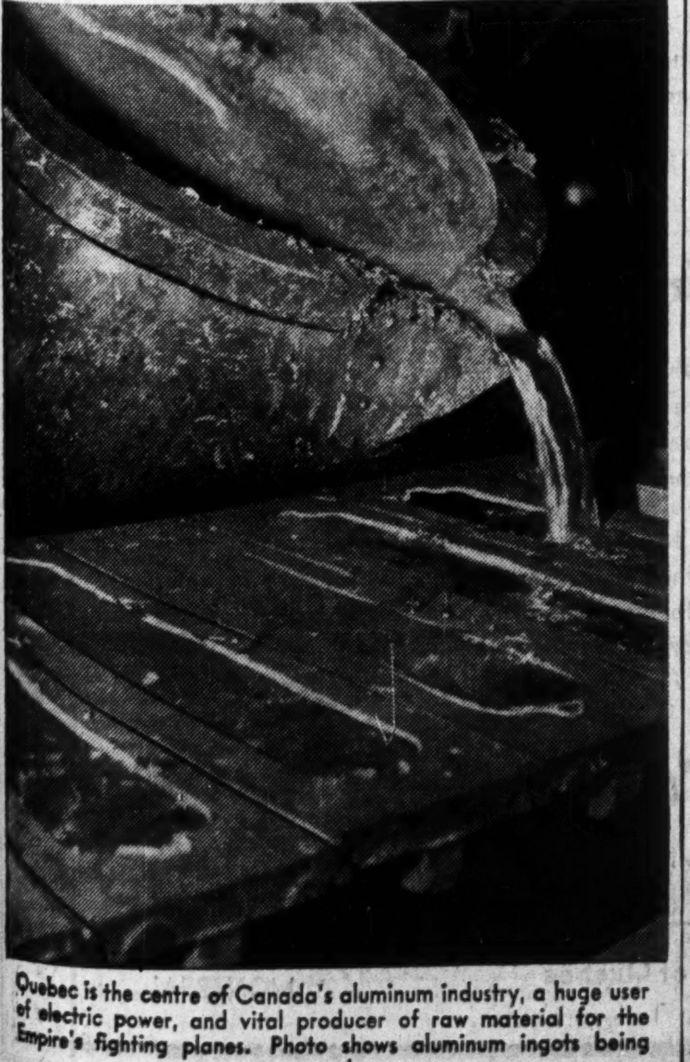
Serve Many Fields

This branch of manufacturing accounts for by far the largest share of the power output in the province. At the same time electro-chemical and electro-metallurgical industries at Arvida, Shawinigan Falls, Beauharnois, Montreal and elsewhere are important users of electricity.

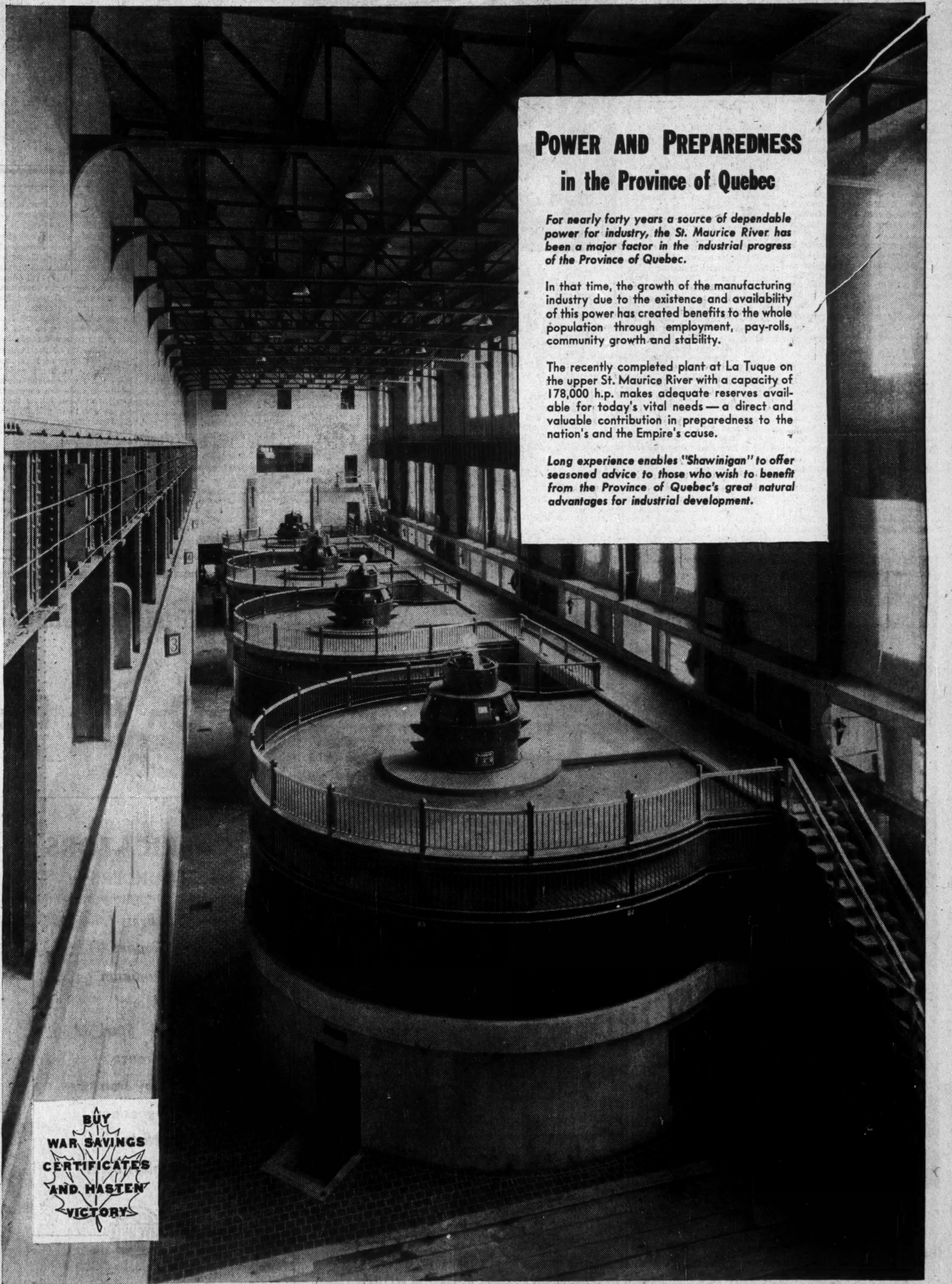
The demands of Ontario Hydro also account for several important blocks of power; Hydro takes the complete output of the Chats Falls plant, in addition to a substantial proportion of the output of Gatineau Power Co. and Beauharnois Light, Heat and Power Co.

Capital in Industry Is $1,200 Millions

Capital invested in Quebec's manufacturing industries has grown from $28 millions in 1870 to over $1,200 millions currently. During the same periods the gross value of production has increased from $77 millions to $980 millions, while the distribution of salaries and wages has jumped from $44.5 millions to $213 millions.



Quebec is the centre of Canada's aluminum industry, a huge user of electric power, and vital producer of raw material for the Empire's fighting planes. Photo shows aluminum ingots being poured.



POWER AND PREPAREDNESS
in the Province of Quebec

For nearly forty years a source of dependable power for industry, the St. Maurice River has been a major factor in the industrial progress of the Province of Quebec.

In that time, the growth of the manufacturing industry due to the existence and availability of this power has created benefits to the whole population through employment, pay-rolls, community growth and stability.

The recently completed plant at La Tuque on the upper St. Maurice River with a capacity of 178,000 h.p. makes adequate reserves available for today's vital needs — a direct and valuable contribution in preparedness to the nation's and the Empire's cause.

Long experience enables "Shawinigan" to offer seasoned advice to those who wish to benefit from the Province of Quebec's great natural advantages for industrial development.

Interior view of the Rapide Blanc plant which produces 160,000 horsepower of the total of over 1,000,000 horsepower developed and distributed by The Shawinigan Water & Power Company in the Province of Quebec.

THE
SHAWINIGAN WATER AND POWER COMPANY
MONTREAL • CANADA

Tourists Bring $55 Millions to Quebec

Varied and Unique Attractions Draw Thousands of Visitors

Quebec is an important factor in the Canadian tourist trade. Last year visitors to the province left an estimated $55 millions. This was somewhat less than in 1939, due to the unsettlement created by war conditions.

Not all of the money derived by Quebec from its tourist trade last year came from the United States. American visitors left most of this new money in the province, but a feature of the trade was the large increase in the number of visitors from other provinces within the Dominion.

In the first part of the tourist year the flow of traffic from the United States fell off rather badly due to the spreading of malicious rumors by Nazi agents in the United States. This move was promptly counteracted by the Dominion Government and before the season ended, the tourist trade was moving up to normal volume.

The effect of this campaign in the earlier part of the season, however, was sufficiently effective to lower the number of visitors from the States to Quebec.

More Canadians

The substantial increase in number of visitors from other provinces came about naturally as a result of restriction placed by the Government upon travel by Canadians outside of Canada.

According to records compiled by the Province of Quebec Tourist Bureau, 481,128 tourist automobiles entered the province last year. This contrasted with 480,703 cars the year before. The increase, as will be seen from the following table, reflects the heavier interprovincial movement.

Number of Tourist Cars Entering Quebec*

	1940	1939
From U. S.: Direct through customs ports	171,196	236,312
Through other provinces	88,767	102,066
Cars from other provinces	221,165	142,325
Total	481,128	480,703

*For periods from two days to two months.

Transient Traffic

These figures do not include what is known as "transient" tourist trade. In this group come those visitors who enter the province for a visit of 48 hours or less. In this category the Bureau reports 1,463,023 cars, of which number 152,151 came from the United States, and 1,310,872 from other provinces. During 1939 the volume of transient tourism was 1,244,824 cars, made up of 169,981 American and 1,074,303 Canadian cars.

The revenue resulting from tourist traffic has come to play an important part in the economic life of Quebec province. Millions of dollars are left with hotels, stores, tranportation companies, and other services which, in peacetime, mean considerable to the welfare of a large proportion of the province's population. In wartime this importance is even more pronounced, as the money derived from tourist trade, especially from the United States, provides the Dominion Government with an important source of U. S. exchange.

The trend of tourist expenditures in Quebec since 1927 has been upward, except during the depression:

Tourist Expenditures in Quebec
(In millions of dollars)

1940	55.0	1933	35.0
1939	60.0	1932	40.0
1938	70.0	1931	60.0
1937	75.0	1930	60.0
1936	64.0	1929	61.3
1935	45.0	1928	51.6
1934	35.0	1927	40.3

Rich in Attractions

Quebec is rich in all those elements which contribute to attract the tourist.

Through the centuries her cities have retained their picturesque aspect, her people have held true to Norman tradition, her manners and customs have kept an appealing oldtime grace which has long since vanished from other countries.

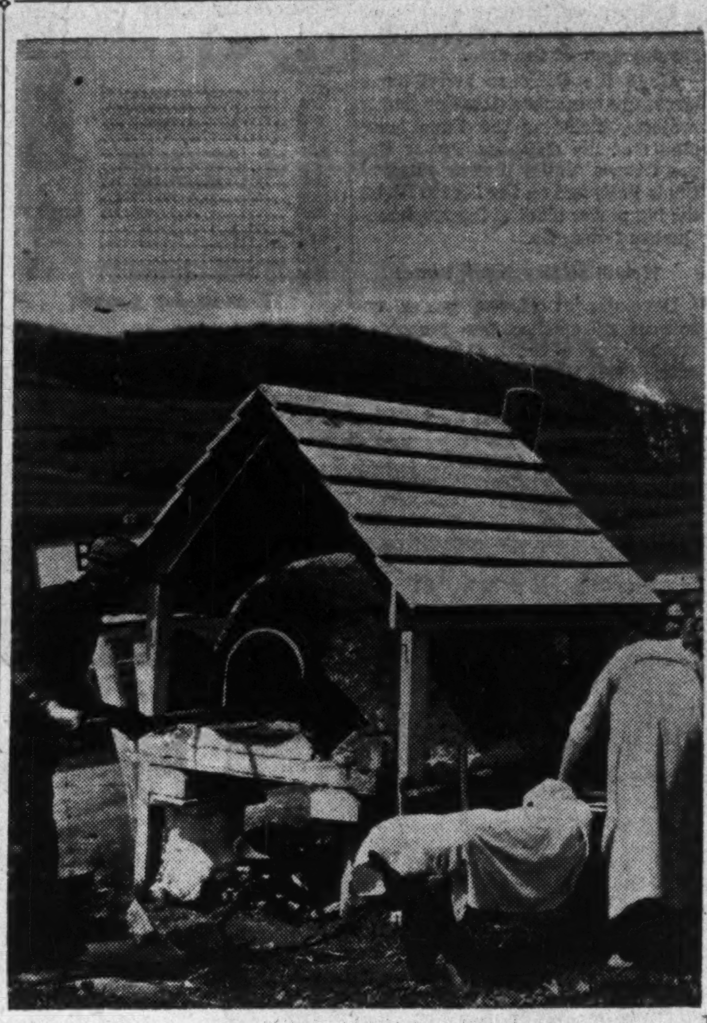
Quebec is a French province, but not like modern France. Her people have built up a distinctive culture, colorful in its old-world traditions, rich in its historic background. The shades of Cartier, Champlain, Frontenac, Talon, de Laval, Montcalm, still haunt both town and countryside. Many a house they knew is still in everyday use. Quebec is a land from which romance has not departed.

A Land of Charm

Good highways lead through quaint villages. Wayside shrines, monuments, old houses and churches excite delight and wonder. The courtesy of the people gives a new zest to travel.

In her invigorating climate Quebec has been doubly blessed. The summer season is temperate, with plenty of long sunny days and cool, refreshing nights. Winter brings many crystal clear days, when cloudless blue skies add brilliance to the crisp, powdery snow.

Traversing the province takes one over mountain and dale, through rolling valleys and grass-covered lowlands, past tranquil lakes and cascading rivers. Nowhere will one find any greater or more varied beauty of landscape than in Laurentian highlands, the majestic St. Lawrence river, the Appalachian country terminating at Gaspe, the grandeur of the Saguenay, the Monteregian hills, the beautiful Gatineau, Lievre and St. Maurice Valleys, and the new Eldorado of Abitibi and Temiscamingue.



Bake Ovens Fascinate Tourists

Lakes and rivers abound with sporty fish. Deer and moose are plentiful. Ducks and other waterfowl are found in quantity on lake and river bank. The merest beginner may safely count on getting his share, for these vast hunting grounds and fishing waters are practically unspoiled. Winter brings her sports also, for the Province of Quebec offers unlimited opportunity for the ski enthusiast, and comfortable hotels provide special accommodation for winter visitors.

Montreal, second largest seaport of North America, second French city of the world, offers contrasts of old and new. Still preserved are the landmarks of its dramatic history dating back to its foundation by Maisonneuve in 1642.

Old Montreal, in the heart of the modern city, still retains its historic buildings. Here we find St. Paul Street, oldest in the city; Place d'Armes, where Maisonneuve defeated the Iroquois in 1644; the Seminary of St. Sulpice, dating from 1680; Chateau de Ramezay, built in 1705; the McTavish House of 1780, and many others.

Outside this old portion of the city lies St. Joseph's Oratory, built on the mountainside by the late Brother Andre, miracle man of Montreal; the Fort des Messieurs, built in 1694; the Art Gallery; Botanical Gardens; McGill University and the Université de Montreal.

Many old and beautiful churches adorn the city. Here we find Notre-Dame-de-Bon-Secours, built in 1657, and reconstructed in 1711; Notre-Dame Church, dating back to 1672.

Within an hour's ride from the city are Fort Chambly, built in 1655; Vercheres, Lachine, St. Hubert airport and the many vacation resorts of the Ottawa and St. Lawrence rivers and the Lake of Two Mountains.

Laurentian Playground

The Laurentian Mountains form an ideal playground, where rolling mountains and green valleys combine with the primeval forest. Hard surfaced motor roads lead from Montreal to the many vacation resorts, and railroad service makes travel convenient and easy.

Then there is the great goldfields area of Temiscamingue and Abitibi in northeastern Quebec, and tourists should not overlook the value of a visit. The country is strikingly picturesque, rich in big and small game and liberally dotted with interesting lakes where fishing offers a new thrill. The highway skirts such well-known game spots as Bark Lake and Hunter's Lake, the haunt of moose and deer.

The sail down the river from Montreal to Quebec is a delightful trip. To go by road is equally interesting, the route leading through quaint villages where the outdoor bake oven, hand loom and spinning wheel are still in everyday use. Paved highways give a choice of route along the north or south shore.

Halfway on the trip is Trois-Rivieres, founded in 1634, and now the centre of the paper-making industry. Here also was founded the iron industry of North America. Nearby are the shrine of Cap-de-la-Madeleine, the city of Shawinigan Falls and the thriving town of La-Tuque.

Centre of Tradition

At Quebec, the ancient capital and cradle of Canadian civilization, the visitor will find quaint old buildings, ramparts and bastions of the stirring days of the old French regime. The queer crooked streets intrigue tourists. The high, one-horse caleche, smart equipage of centuries ago, may still be seen upon the city streets.

Twenty-two miles away is the shrine of Ste. Anne-de-Beaupre; opposite is the Island of Orleans where old farm houses, windmills and ox teams lend a picturesque touch to the rustic scenery.

Quaint villages dot the Charlevoix-Saguenay-Lake St. Jean region. This beautiful country lies a scant hundred miles north of Quebec City, and is noted for its picturesque charm, sports facilities and its many highly-industrialized towns.

Site of the white man's discovery of Canada, where Jacques Cartier first landed in 1534, Gaspe has remained much the same through the centures. On the north shore tiny hamlets cling to the shoreline, each a world in itself, isolated from its neighbors by big cliffs. The south shore is softer, with the Baie des Chaleurs breaking up into a great many fair bays and sandy beaches.

Near the tip of the Peninsula is the tiny village of Perce beneath the shadow of the pierced rock. Here life has remained practically unaltered since the conquest. The hardy fishermen follow their calling as did their grandfathers and great-grandfathers before them. A new motor highway now skirts this beautiful peninsula, making it easily accessible.

Sportsmen's Attractions

Quebec offers special attractions to the sportsman. In its vast extent of forests and lakes the hunter is sure to find the best of sport, as several varieties of big game, including moose, white-tail deer, woodland caribou and black bear are still plentiful in the province.

The province's area of 594,534 square miles is still mostly undeveloped. This vast territory of forest and mountain, extending from Ontario to Labrador, is a great natural sanctuary where big game rapidly multiplies, thus keeping pace with whatever inroads may be made by hunters.

Big Game Too

Besides being recognized as a range, Quebec also offers good deer hunting. White-tails are plentiful and are easily killed along the fringe of civilization. Black bear always provide a thrill for the hunter and in the fall are to be found in the most unsuspected places in a wide range of hunting area. Fine specimens of woodland caribou can also be had in certain parts of the Gaspé Peninsula.

Of game birds, partridges are the most eagarly sought, and are found in all Quebec woods, especially in hard timber. In the great stretches of marshlands along the St. Lawrence river and on the myriad lakes which form so large a part of Quebec's scenery, ducks and wild geese provide many a brace for the 12-gauge.

Quebec's Income Rises During 1940

Income of the Province of Quebec for 1940 amounted to $1,164 millions as against $1,106 millions in 1939, according to an estimate of The Financial Post Business Year Book.

The estimate of income for the individual provinces, together with per capita purchasing power, follows:

National Income by Provinces

	1940 $000	1939 $000	Per capita 1940 $	Per capita 1939 $	Per capita change from 1939
P.E.I.	27,455	25,267	288	266	+7.19
N.S.	182,551	168,209	326	304	+7.24
N.B.	133,795	118,065	293	262	+11.84
Que.	1,163,575	1,106,472	358	345	+3.74
Ont.	2,002,082	1,773,339	530	473	+12.24
Man.	288,917	271,292	394	373	+5.62
Sask.	280,174	256,829	295	271	+8.89
Alta.	310,439	288,958	390	366	+6.40
B.C.*	411,012	391,569	517	496	+4.04
	4,800,000	4,400,000	420	389	+8.07

*Includes Yukon and N. W. Territories.

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Quebec has spent an average of $1 millions annually for the last 20 years in building new schools and repairing those already in service.

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Today the Province of Quebec enjoys the soundest administration that it has had for many years. Since its inauguration in 1939, the financial position of the Province has shown steady improvement. Economy and restriction of capital expenditures are keynotes of the present policy.

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Quebec Textiles Speed Up to Meet War

Production in the Province Swelled by War Demands

Quebec's textile industries operated under pressure last year in order to meet the unusual demands created by war conditions. While it will be some time before figures are available on output, indications are that mills in the province turned out goods to the value of better than $200 millions, or roughly 50% of that for the Dominion as a whole.

The necessity of clothing the army, the dislocation of import trade and the irregularities of supply in certain lines created many problems. But the Canadian mills, and particularly those in Quebec, rose to the occasion. There was no shortage of cottons, woollens, silks or rayon goods.

Far in the Lead

Quebec's place in the textile industry is unique. There are in operation over 925 plants, the capital investment in which amounts to $152 millions.

Measured in terms of employment and wages, a yardstick which is of the most direct interest to the people of the Dominion, the textile industry ranks first among manufacturing industries of Quebec and the number of people it employs. Over 30%, or three out of every ten factory workers, find their jobs in textile mills.

Other yardsticks give different results. Textiles stand only fourth in the number of plants and only third in the amount of capital invested in mills and machinery, but in the amount of wages paid and the number of employees the industry has stood first for some years.

Industry Likes Quebec

Quebec's dependence on the textile industries for employment results from both its maintained lead in older branches of the industry and from the rapid development of some of its newer branches. Since the early days the Canadian cotton industry has been centred in Quebec and now has nearly 20,000 people on its payrolls. The Quebec mills account for nearly three quarters of the cotton output in Canada.

The newer rayon and silk industries which have seen such a marked development in the 15 years since their establishment are almost as predominantly a Quebec industry. They now employ around 6,500 people in Quebec, which is almost 70% of the Canadian total in this field.

Knitting of silk hosiery is another large textile enterprise in which Quebec contributes almost 60% of the Canadian output; about 7,500 workers are now engaged by all the Quebec knitting industries. There are also other branches of the textile industry in which Quebec shares in varying degrees.

Majority in Province

Roughly speaking about one half of the textile plants in the Dominion are located in Quebec. Considered on the basis of output, the position of the Quebec mills stands out even more prominently. The largest plants are located in French Canada and the policies established by the companies in this area very largely determine those for the balance of the industry.

Though the metropolitan centre of Montreal is the location of several mills, the greater part of the activity is in and around the territory known as the Eastern Townships. This section is sometimes called the New England of Canada. It is a highly industrialized district and for various reasons the cotton industry appears to thrive in it. Plenty of power is available at low cost; labor is ample; there is an abundance of water, while suitable living conditions in the small towns work to the advantage of the employees.

Centre of Silk Industry

Aside from primary cotton manufacturing, however, Quebec is noted for its production of silk, both artificial and real. In recent years the Quebec market has been an important purchaser of raw silk, together with complementary materials for manufacture into the finished articles. Many new plants have been erected as demand for silk, combined with low prices, has stimulated production to new high levels.

Throughout the Eastern Townships, and along the north shore of the St. Lawrence may be found many silk or synthetic silk manufacturing plants. Among the more prominent operators are Canadian Celanese at Drummondville; Belding Corticelli at St. Hyacinthe, Coaticook, St. Johns and Montreal; Associated Textiles and others.

Key Economic Factor

The same factors which appeal to the cotton manufacturers draw the silk companies to Quebec; and particular attention should be paid to this industry in any investigations into the potentialities of the French Canada market.

The woollen and knit goods industries also have their representatives in Quebec. At Sherbrooke is located what is reputed to be the oldest and largest woollen mill in the Dominion, that of the Paton Manufacturing Co. At St. Jerome the Regina Knitting Mills has a modern plant, while at St. Hyacinthe, Penman's operates a large factory manufacturing a wide line of knit goods and woollens.

Essential to Communities

However significant the textile industries are to the province as a whole, their welfare is a matter of most importance in those communities which textile employment has built into important industrial centres.

There are textile mills in over 50 places in Quebec, and in some of them textiles are the sole or most important source of employment. Perhaps the unique feature of this development is the number of formerly almost rural areas which have developed in this way in the last 10 or 15 years, quite outside of Montreal or other old established important urban centres.

Build Up Communities

The development of the city of Drummondville is a good example of the growth of the textile towns which have sprung up throughout the Eastern Townships and elsewhere. About 15 years ago there was one textile plant in Drummondville, employing about 100 people. Now there are five important concerns — Canadian Celanese, Drummondville Cottons, Louis Roessel, Butterfly Hosiery and Dominion Silk Dyeing. Between them they employ over 5,000 people.

No elaboration is needed to indicate what this must have meant to the town, to its merchants and to the surrounding area.

There are numerous other towns where the same course has been repeated to a greater or lesser degree—Sherbrooke, Three Rivers, St. Johns, Granby, St. Jerome, Magog, Valleyfield, Cowansville, Farnham, Louiseville, Montmagny, Montmorency.

Since the future of so many Quebec communities is tied up with the position and prospects of their textile industries, some examination of their situation is required.

Cater to Domestic Market

The cotton industry is almost entirely confined to selling in the Canadian market and its prosperity depends on the state of that market and on what share it can supply in competition with imported goods. It usually secures about 70% of the Canadian business and imports supply the remainder.

Operations over the last 12 or 14 months have been on a capacity basis. Much of this has been due, of course, to Government demand.

Competition from American and English mills, too, has not been so pronounced, as those mills have been active in meeting the requirements of their own domestic markets.

Prospects of Industry

The outlook for the cotton textile mills this year is not quite so definite for two reasons. In the first place the industry is rapidly catching up with the Government's war demands and there is likely to be a falling off in orders from that source.

Secondly, and by far the most important, is the fact that the Dominion Government recently opened up the Canadian market for the English cotton operators. This, in part, was offset by the greater difficulties facing the American manufacturer in marketing his cotton goods in Canada. It is still too early, however, to determine to what extent the new concessions granted to the English mills will affect the Canadian industry.

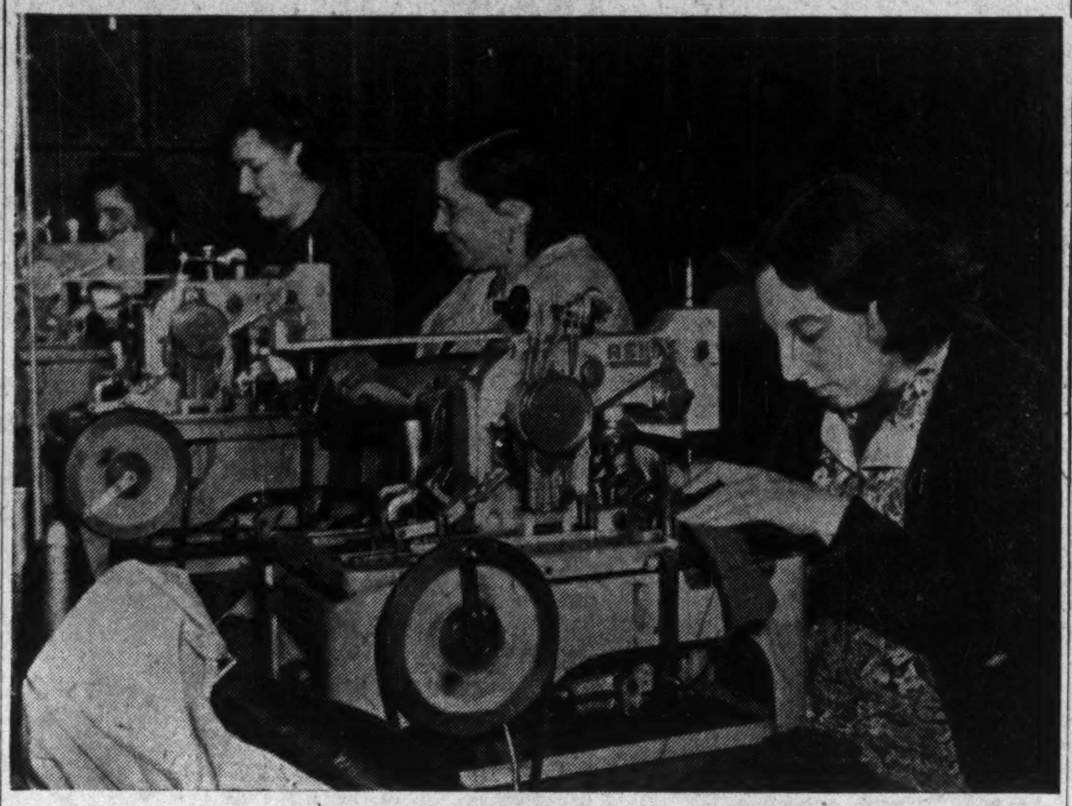
The normal position of the rayon and silk industry is that it supplies about 80% of its home market and does a fair export business with other Empire countries. In common with other Quebec industries there was a sharply increased demand for its products last year. This demand will continue throughout 1941.

Restrict Silk Imports

One problem facing the industry is the Government's decision to license the import of raw silk. While it is not the intention to put this ruling into effect without due warning, nevertheless the manufacturers will be expected to develop other sources of fibre to take the place of real silk. This action should greatly stimulate the demand for rayon goods, so that that branch of the industry should experience capacity operations throughout the current year.

The silk hosiery knitters, in Quebec and elsewhere, had a record year in 1940. They supplied all Canadian demands and exported about 20% of their production, chiefly to Empire countries. The conditions which are likely to affect the rayon and silk industry in 1941 also apply to the silk hosiery knitters. Steps have already been taken to develop the use of new fibres and, in this connection, Nylon hosiery is now being manufactured within the country.

It is not anticipated that the Canadian Government will take any action to restrict the use of raw silk for the manufacture of hosiery intended for export. The Government's policy is to encourage export trade and it is believed that the industry's requirement of raw silk for hosiery will be met in full.



Uniforms for Canada's expanding army and navy flow from textile factories in Southern Quebec.

Quebec's 40 Leading Industries

	Plants No.	Capital $	Workers No.	Salaries and Wages $	Value of Output $
Pulp and paper	44	310,894,280	15,493	20,488,461	88,990,115
Smelting and refining	4	52,102,452	2,524	3,677,237	78,954,445
Cotton yarn, cloth	15	42,024,005	11,661	9,305,634	39,668,088
Tobacco	57	50,890,999	6,711	6,355,297	39,156,515
Clothing, women's	337	16,827,754	13,320	11,057,586	39,113,490
Railway rolling stock	11	38,078,145	8,595	12,359,723	37,874,224
Clothing, men's	211	19,798,860	11,237	9,164,338	36,702,455
Butter, cheese	1,179	16,753,114	5,076	3,610,061	33,468,909
Petroleum products	8	25,139,180	1,046	1,915,626	31,354,925
Meat packing	29	9,072,967	2,048	2,340,863	31,148,807
Boots and shoes	131	13,734,381	10,266	7,393,869	22,266,642
Bakery products	981	13,003,642	6,012	5,394,340	21,115,591
Electric apparatus	27	22,905,949	5,215	6,449,159	20,937,234
Sawmills	1,833	19,676,396	8,218	3,996,637	19,887,902
Silk goods	19	19,965,856	5,806	5,381,241	17,313,788
Knitted goods	54	17,380,930	7,123	5,636,732	16,982,227
Flour and feed	191	5,626,017	697	832,051	15,673,078
Breweries	8	28,889,241	2,075	3,194,221	15,568,193
Printing, publishing	73	12,733,314	4,807	6,137,692	14,523,252
Machinery	36	19,740,724	4,027	4,993,541	14,366,089
Biscuits, cocoa, etc.	56	9,701,875	3,400	2,864,228	12,670,642
Misc. chemicals	41	16,502,946	2,603	2,993,549	12,466,930
Sheet metal prod.	33	13,270,581	2,290	2,547,276	11,673,188
Rubber goods	14	11,176,046	3,597	3,021,636	11,584,648
Aerated waters	145	7,885,181	1,764	1,917,786	11,013,490
Coke and gas products	4	11,961,459	637	1,034,256	10,103,372
Paints	27	11,752,126	1,288	1,915,227	9,793,346
Printing	379	11,239,560	3,565	4,038,646	9,305,095
Primary iron, steel	14	12,683,812	2,425	2,943,864	8,418,130
Foods, misc.	47	4,060,393	751	808,238	8,295,295
Brass and copper	29	7,406,370	1,421	1,757,966	8,287,418
Medicinal products	66	8,918,040	1,503	2,021,163	8,151,096
Castings, forgings	54	11,988,138	2,390	2,429,525	7,846,583
Boxes and bags, paper	40	6,267,546	1,925	1,709,637	7,399,579
Fur goods	135	5,213,396	1,570	1,818,931	7,378,162
Distilleries	5	10,000,550	654	768,497	6,868,758
Fruit and veg. prep.	63	6,308,291	1,736	1,112,457	6,809,209
Misc. textiles	8	9,277,312	1,105	1,392,841	6,620,132
Furniture	90	7,423,762	2,750	2,432,247	6,509,011
Coffee, tea and spices	18	2,508,636	464	582,647	6,152,033
*TOTAL	6,516	940,785,225	169,785	169,794,505	812,312,136
All Que. industries	6,655	1,146,235,084	214,397	213,390,084	983,123,599
Percentage, 40 leading industries to grand total	75.2	82.1	79.2	79.6	82.6

Note:—Figures are for 1938, latest year for which complete data are available.

*Statistics for sugar refining cannot be published because there are fewer than [illegible] establishments reporting.

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Quebec Mines Big War Item

New Producing Problems But Output Reaches All-time Peak

By A. O. DUFRESNE
Director, Province of Quebec Bureau of Mines

For 1940 Quebec's mining industry had a total production valued at $85 millions, an unsurpassed peak in the economic history of the province. Most of the increase over 1939—$9 millions—comes from the metal group, now much the largest and most important of the three main divisions. Building materials show a notable improvement, while the record of the non-metallic or industrial minerals group has not been quite as satisfactory.

War conditions have had a vital bearing on mineral industries over the past year, and for this reason it is not possible to give a breakdown of the various items going to make up the province's mineral output.

Britain Contracts for Copper

A major factor in the province's metal mining operations last year was the fact that four fifths of the copper production of Noranda, Waite Amulet, Aldermac and Normetal mines, were contracted for by the British Ministry of Supplies.

Besides these copper mines, which are also gold producers, the following straight gold mines shipped their bullion to the Royal Canadian Mint during the past year: Amm Gold, Arntfield, Beattie, Belleterre, Canadian Malartic, Central Cadillac, Cournor, East Malartic, Francoeur, Lamaque, Lapa Cadillac, Malartic Goldfields, McWatters, Mooshla, O'Brien, Pandora, Perron, Powell Rouyn, Senator-Rouyn, Sigma, Siscoe, Sladen-Malartic, Stadacona Rouyn, Sullivan and Wood Cadillac—25 in all.

Gold Mine Developments

There were developments in connection with these properties over the past year, all of which are worth noting. Amm Gold was absorbed by Pandora Cadillac. Arntfield, in September, temporarily rented its mill to a new producer, Senator-Rouyn, in the meantime pressing diamond drilling operations.

Powell-Rouyn put in commission a 350-ton mill; this, with regular shipments of high-grade silica-gold ore to Noranda smelter, means a daily hoisted tonnage of 800 tons.

Development of the North ore zone at the Francoeur mine added materially to the ore reserves, both in tonnage and grade. Stadacona Rouyn continued under the control of a trustee, and operations have shown an improvement in recent months. Central Cadillac is using the mill on the Thompson Cadillac property for treatment of its ores.

Malartic Mines Active

The four Malartic mines continued their operations, East Malartic stepping up its milling capacity to 1,500 tons daily, while Malartic Goldfields improved its surface plant.

In recent months ore news from Siscoe has been satisfactory, and Sullivan has continued to improve its ore reserves as well as its surface equipment. Sigma stepped up its milling capacity to 1,000 tons daily at beginning of the year. The Cournor Mining Corp., operating both the Beaufor and Cournor mines, increased tonnage and grade. The most southerly of the province's gold properties, Belleterre, is quietly developing a promising producer with a capacity of 330 tons daily.

Other gold mines such as Perron, Lamaque, Sladen-Malartic, Canadian Malartic, O'Brien, McWatters and Beattie, have carried on at the regular rate and are keeping developments abreast of mining operations.

Demand for Building Materials

Initial reports indicate a substantial increase in the production of building materials during the past year. However, this increase has not followed that of the construction indices, for a large percentage of the buildings put up during the year were of a temporary nature, being used for war purposes. Nevertheless Quebec quarries experienced a gain of about 25% in value of output during 1940.

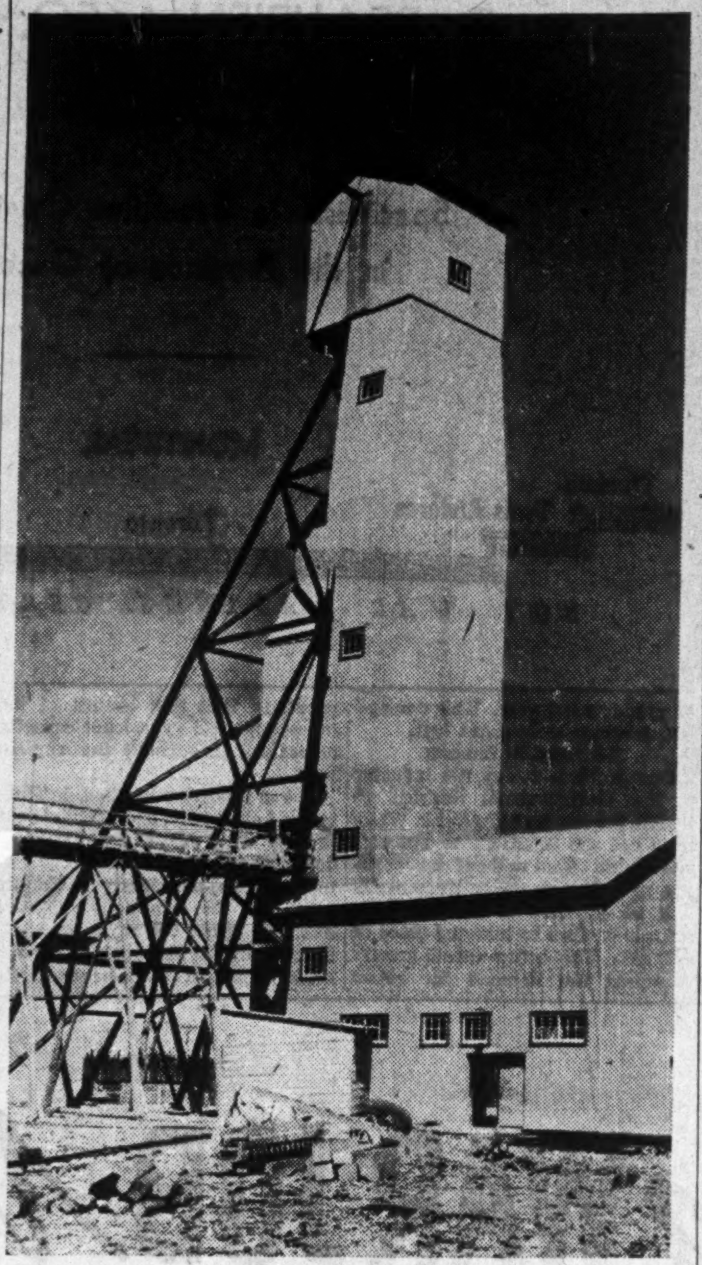
Industrial minerals, of which asbestos, feldspar, garnet, mica, magnesite, mineral pigments, peat, phosphate, pyrite, silica and soapstone are the most important items, have in the past years taken a second place to the metal group.

War Influences Operations

War has had a mixed effect on this class of mining, shutting off exports to enemy and enemy-occupied countries, and has added difficulty in obtaining the necessary shipping space to other export centres. Expectations are the final report will show a smaller production of this group of minerals for 1940. Readjustments are now being studied and during the current year, with considerably increased activity in the United States, it is believed that the value of asbestos production, among other industrial minerals, will reach a new peak.

For a long time Quebec was practically the sole asbestos producing country. But with the bringing into production of asbestos deposits in other parts of the world, the province has had to share the increasing demand for the product with South Africa and U.S.S.R. Though it has retained the leadership, its yearly production takes care of only 52% of the world's asbestos requirements.

Development of new uses and the popularity of asbestos as a building material has called for such a larger output of all kinds of asbestos fibre that, notwithstanding heavy competition, Quebec has witnessed an increased demand for its product, resulting year after year in a steadily larger mine output; in 1939, the record producing year, the value of asbestos produced from Quebec mines reached $15,858,492.



An important contribution to Quebec's economic life is now being made by the Province's gold mines. Last year mines such as Sigma — whose headframe is pictured above — produced a greater value of gold than in any previous year in the province's history.

Other Industrial Minerals

A notable improvement was recorded in production of most of our other industrial minerals. This is attributed for the most part to a larger demand by the Canadian industries engaged in the manufacture of supplies for war requirements, and to larger exports in the crude or semi-finished state.

General industrial activities in North America claim Quebec mica for electrical machinery and sundry uses. During the past summer important prospecting operations were carried out inland from the north shore of the St. Lawrence River below Quebec City.

A new Quebec mine industrial product has been placed on the market during 1940. The first garnet concentrating plant built in this province began operations at Labelle during the past summer.

In past years peat was talked of as a fuel material, and small production has been placed on the market for varied uses. The present hostilities have brought to attention another important use for this fossil wealth. In past years eastern United States imported from Germany, Finland, Sweden and Holland large shipments of peat especially prepared for horticultural uses. War having stopped all shipments from these European countries, a new market has been opened to Canadian owners of peat lands.

Prospecting Eases Off

The intensified activity in mining production in response to wartime demands is not being compensated by a corresponding activity in prospecting. Several properties are being brought to a stage of near production, such as is the case for the Moss Molybdenite mine near Quyon, the Sterrett chromite mine at St. Cyr, and a few gold properties among which one might mention: the Mic-Mac Mines, Ltd., in Bousquet township, West Malartic in Cadillac township, National Malartic in Fournière township, which from all accounts should enter the list of gold producers during the new year.

If Quebec is to keep the place it has won as a mineral producing province new deposits must be found to compensate for the depletion of those now being exhausted. New fields must be discovered and a better understanding of the established ones must be reached through correlation of the information disclosed by individual exploration. Toward this end the Quebec Department of Mines contributes by training prospectors, providing geological maps, giving technical assistance and providing for bulk sampling and assaying facilities. Not only do these aid in the finding of minerals essential to war, but these investigations at this time are necessary in order to prepare for the after-war period.

Record of Amazing Growth

To consider Quebec's mining industry on the basis of returns for the past year or two would be to lead to a very mistaken impression, one must examine the position of the industry in the early 20's to appreciate the amazing extent of its development.

In 1923 all gold produced in the province could be held in the palm of one hand; copper production could have been carried by two trains of 75 cars each; silver production amounted to just over a ton in weight.

Returns for 1939—only 16 years later—show an annual output of 943,069 ozs. of fine gold; 117,699,800 lb. of copper and 1,188,426 ozs. of silver.

During the first year of the last war Quebec's mineral production was less than $12 millions. In the first full year of this war, production reached the impressive figure of $85 millions; an increase of 1,650% in 25 years!

There are other countries or provinces which have an annual mineral production of greater value, but few can equal the amazing record of the Province of Quebec.

Valley of Gold

The reason for this outstanding performance is to be found in Quebec's Valley of Gold, that fabulous 100 miles of gold-bearing area stretching from the Ontario border out through Siscoe, Rouyn, Cadillac, Malartic, Bourlamaque and Pascalis townships.

Practically all of Quebec's producing metal mines are within this 6,000 square mile area—100 miles long and 60 miles wide.

Record of Growth

The manner in which mineral production has grown in the province is set out in the following table:

1900	$ 2,546,076	1930	$41,158,740
1905	3,750,300	1935	39,141,734
1910	7,323,281	1936	49,755,985
1915	11,765,873	1937	65,203,976
1920	28,392,939	1938	68,877,345
1925	23,824,912	1939	77,112,479
		1940	85,000,000

Metallics Forge Ahead

This table does not tell the full story. It does not tell how gold, copper and other metallic minerals have forged ahead until today they account for the greater share of the annual production.

This is more clearly indicated in the table which follows:

Quebec Minerals
(Dollar Returns in Thousands)

	Metallics	%	Non-Metallics	%	Bldg. Mater.	%
1927	$2,412	8	$11,328	39	$15,382	53
1929	13,671	29	14,249	31	18,534	40
1931	12,367	34	5,516	15	18,166	51
1933	16,360	58	6,043	22	5,761	20
1935	23,804	61	8,824	22	6,512	17
1937	38,615	59	17,232	27	9,355	14
1939	47,200	62	17,200	22	12,100	16

Industry Has Long History

The history of mining in Quebec extends over a period of 200 years. As early as 1733 a furnace for smelting of bog iron ores of the district was established near Trois Rivieres. Castings and wrought iron were produced from these ores until 1910. Even today there is each year an appreciable output of natural iron oxides from the same sources, for use in manufacture of mineral pigments and other purposes.

As time went on discoveries were made at various points of deposits of other minerals of economic value. For the most part search for these was confined to the more thickly

(Continued on page 42)

Wealth Comes to Surface

Metallics

	1939	1938	1937
Chrome	$.........	$.........	$ 3,286
Copper	11,531,749	11,233,039	12,378,737
Gold	34,459,648	30,835,390	24,894,755
Molybdenite	600	....	....
Lead	....	....	77,732
Selenium	224,884	378,147	380,759
Silver	472,706	516,902	407,784
Tellurium	9,379	71,512	45,739
Titaniferous iron ore	21,267	1,449	26,432
Zinc	882,606	163,356	419,951
Sub total	47,903,039	43,199,795	38,615,175

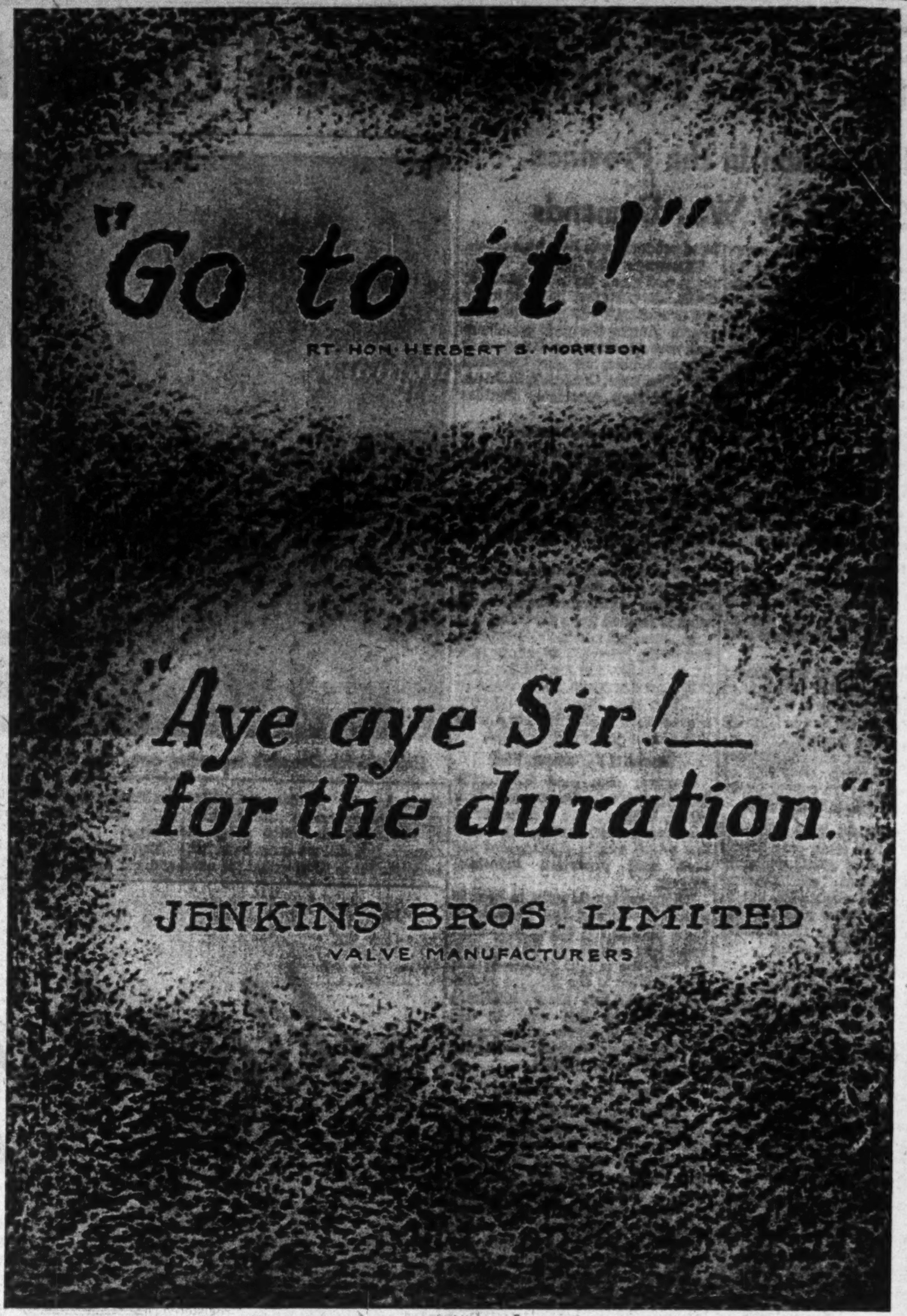
Non-Metallics

	1939	1938	1937
Asbestos	15,858,492	12,890,195	14,505,541
Feldspar	61,028	62,878	105,612
Industrial lime	983,072	711,310	796,970
Industrial limestone	....	161,620	210,828
Magnesitic dolomite	474,418	465,035	677,207
Marl	....	14,433	13,171
Mica	119,834	72,982	124,594
Mineral water	17,460	19,033	19,697
Ochre and iron oxide	81,346	67,209	77,883
Peat	....	16,518	17,121
Phosphate	1,712	1,886	900
Pyrite	....	98,261	194,496
Quartz and industrial sand	369,193	315,251	448,327
Soapstone	41,471	35,038	40,513
Sulphur	275,951	....	....
Sub-total	18,284,177	14,931,649	17,232,860

Building Materials

	1939	1938	1937
Building lime	(1)	30,483	110,173
Building limestone	2,987,616	1,502,039	1,272,367
Cement	4,035,294	3,693,188	3,537,798
Clay products:			
Brick	935,052	766,379	825,596
Other products	338,904	255,266	226,996
Granite	(1)	749,430	611,023
Marble	(1)	40,747	39,423
Sand and gravel	2,628,397	3,532,873	2,637,495
Sand-lime brick	(2)	23,389	28,415
Sandstone	(1)	51,010	65,424
Slate and shale	....	1,097	1,031
Sub-total	10,925,263	10,745,901	9,355,941
Grand total	77,112,479	68,877,345	65,203,976

(1) Included under building limestone.
(2) Included under clay brick.



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MONTREAL - CANADA

Billion Dollars of Merchandise Moved

Value of Quebec's Commerce Shows Advance of 10% in 1940

Preliminary reports indicate that aggregate volume of wholesale and retail trade in the province of Quebec during 1940 exceeded the previous year by about 10%. Provided estimate is borne out by the final returns, this would mean the dollar value of the gross trade in the province last year was in excess of a billion dollars.

During 1939 Quebec's wholesale trade, according to figures prepared by the Dominion Bureau of Statistics, was valued at $382 millions. Add to this value of retail trade—$565 millions—which gives a gross total of $946 millions. There is, of course, a certain amount of duplication in the two sets of figures, but on a net basis, the Province of Quebec ranks as one of the most important retail and wholesale outlets in the Dominion.

Aggregate returns for 1939 were about $12 millions short of the high figure established in 1937, but $26 millions over that reported for 1938. On the basis of interim reports issued month by month by the Bureau, the value of both wholesale and retail trade in 1940 ran well above any figure of recent years.

Affects All Canada

Quebec's aggregate volume of trade is of such size that any increase or decrease during the course of a year has a direct bearing upon numerous industries located across the country. This is readily understandable, for while the Ancient Province does produce a large proportion of its own requirements, still there is a vast variety of materials and goods which must be imported to meet the province's requirements. Thus the welfare and the buying power of Quebec are of the utmost importance to all areas of the Dominion.

This condition is obvious to those who follow the economic fortunes of Quebec Province, but to others it is less plain. However, the influence of the province on the business of the Dominion can be more readily appreciated by a knowledge that over one quarter of the total population of Canada lives in Quebec. These people have an annual income equal to about 26% of that for the whole Dominion and, in addition, control over 26% of the country's entire wealth.

Another factor of marked influence on trade of the country is that many of the Dominion's largest industries have their head office located in the province and their buying for branches and activities outside of the province is directed from the head office. For example, the head offices of the two Transcontinental railways are located in Montreal. A majority of the Canadian chartered banks are directed from the same point. In addition many large industrial establishments, with branches across the country, direct their operations from Quebec province.

It is thus apparent that over and above trade actually done in the province, Quebec interests have a direct influence on a not inconsiderable volume of the business handled in other provinces.

Better Results in 1940

Final returns for last year's volume of wholesale will not be available for several months. But the index of sales activity shows better results than obtained in 1939.

Principal changes for the first 11 months of 1940 in comparison with similar returns for the like period of 1939, in the major divisions, follows:

Index of Retail Sales
(1930=100)
% Change 1940 Compared with 1939
January-November

Type of Sale	Quebec	Canada
Men's clothing	+12.8	+14.4
Women's clothing ..	+11.9	+15.1
Grocery & meat ...	+7.1	+10.7
Department	+11.5	+12.3
Variety	+14.5	+15.9
Drugs	+5.7	+8.0

Wholesale Trade Stronger

There has been a steady improvement in the trend of wholesale sales in the Province of Quebec since the low point of 1933. In 1936 the index passed the base index of 1930. There was a moderate drop in 1938 and a recovery in 1939, which was further accentuated in 1940.

The trend of wholesale sales in the province as shown by the Dominion's index follows:

	Quebec	Canada
1930	100.0	100.0
1931	83.7	81.6
1932	69.4	68.7
1933	65.9	65.7
1934	74.7	74.7
1935	77.7	78.9
1936	84.7	86.2
1937	100.2	98.7
1938	93.1	94.6
1939	98.8	100.4

The dollar value of wholesale trade in the province in 1939 was estimated at $382 millions. This contrasted with a figure of $1,375 millions for the Dominion as a whole.

The importance of Quebec's wholesale trade, from the point of view of dollar value, in relation to that for the Dominion, is shown in the following tabulation:

Net Wholesale Trade
(Thousands of Dollars)

	Quebec	Canada
1930 (actual)	386,229	1,370,066
1933 (estimated)	254,696	900,496
1938 (estimated)	359,637	1,296,969
1939 (estimated)	381,767	1,375,550

Food Business First

A breakdown of the figures on wholesale trade which accompanies this article brings to light a number of interesting facts. The volume of wholesale food business in 1939 was over $154 millions. Dry goods and apparel was second in order of importance, followed by petroleum products.

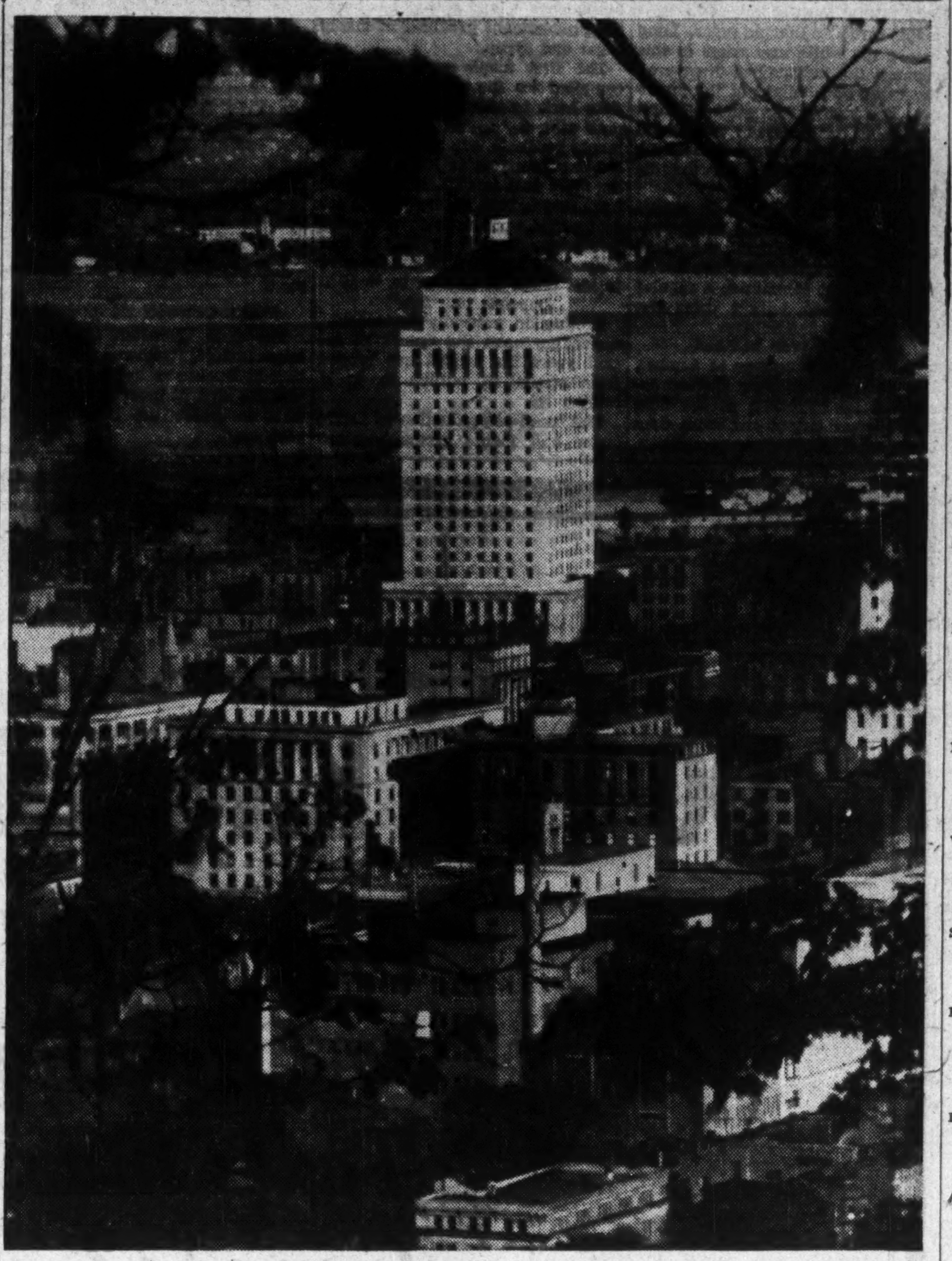
Examination shows increases in the sale of automotive products, chemicals and paints, drugs and sundries, coal and coke, furniture. hardware, lumber and building materials, machinery, metals and metal work, plumbing and heating equipment, etc. Declines were recorded in the sale of electrical goods and farm supplies.

The wholesale trade of Quebec for 1939 may be summarized as follows: Sales for the food group were 5% above the 1938 level, results for the four components of the group revealing increases of 5% for groceries, 10% for dairy and poultry products, 5% for fruits and vegetables and 1% for meats and fish. Sales for wholesalers specializing in dry goods and apparel were up by 13%; coal and coke were up 14%; drugs and sundries, 5%; and hardware, 8%.

Retail Trade Increases

The increase in wholesale trade in Quebec province during 1939 finds reflections in retail sales. Business turnover of the retail trading establishments in Quebec province was up slightly from the preceding year and was approximately equal to the dollar volume transacted in 1937, according to calculations of the Bureau of Statistics.

Total retail sales were estimated at $564.5 millions in 1939 compared with $561.2 millions in 1938 and $565.9 millions in 1937.



Looking over Montreal from the mountain.

In most lines of business only minor changes between 1938 and 1939 were recorded. Ten of the individual lines of business for which separate figures are kept registered decreases from 1938 ranging up as high as 6%; 26 lines reported increases ranging as high as 11%; approximately half of the individual trades reported a dollar volume of business lying within 3% of the 1938 level.

Sales of the food group of stores as a whole, calculated at $156.1 millions for 1939, were approximately 1% lower than in 1938. Grocery and combination stores form the most important type of business in this group, sales of which were 2% below the amount recorded in the preceding year.

Country Sales Lower

Country general store sales were down slightly in 1939. Total sales were estimated at $45.8 millions or 2% below 1938. Department store sales at $43.5 millions were 3% higher, while variety store sales increased 8%.

Sales of motor vehicle dealers are estimated at $55.3 milions, down 6% from the 1938 volume. Decline in new motor vehicle sales was slightly greater than that for the trade as a whole. There were 21,329 new motor vehicles sold for $24.6 millions in Quebec in 1939, a decline of 8% in both number and value from 1938.

Hardware store sales were up by 2% while retail lumber and building materials dealers averaged 11% higher. Furniture store sales remained practically unchanged while household appliance store sales declined by 6%. Increases for other important lines of business were as follows: coal and wood yards, 8%; drugstores, 3%; government liquor stores, 2% and jewellery stores, 5%.

The actual returns on retail trade sales are set out in the accompanying table.

Chain Store Business

The proportion of the retail trade of the province transacted by chains declined slightly in 1939 from the preceding year. There were 134 chain companies operating 1,344 stores and with sales of $82 millions or 14.5% of the total business of all stores, including both chains and independents.

These figures relate to business of corporate chains only—groups of four or more stores under one ownership or management.

Particulars of the chain store business in Quebec province are set out below:

Chain Store Statistics

	1939	1938
Grocery and Combinat'n Stores:		
Chains	9	8
Stores (max) ..	358	289
Chain sales.....	$ 19,031,600	$ 17,259,200
Total sales	100,983,000	99,375,000
% chains to total	18.8	17.3
Variety Stores:		
Chains	13	13
Stores (max.) ..	125	124
Chain sales	11,123,600	12,188,500
Total sales	13,251,000	14,344,000
% chains to total	83.9	85.0
Men's and Boys' Cloth. & Fur. (incl. custom tailors):		
Chains	5	5
Stores (max.) ..	28	29
Chain stores	1,051,800	1,003,900
Total sales	14,352,000	14,610,000
% chains to total	7.3	68.7
Family Clothing Stores:		
Chains	5	5
Stores (max.) ..	19	20
Chain sales	1,977,700	2,137,000
Total sales	13,116,000	13,693,000
% chains to total	15.1	15.6
Women's Apparel Stores:		
Chains	8	7
Stores (max.) ..	54	60
Chain stores ...	1,764,900	1,692,000
Total sales	13,267,000	14,023,000
% chains to total	13.3	12.1
Shoe Stores:		
Chains	14	15
Stores (max.) ..	114	114
Chain sales	3,228,300	3,338,900
Total sales	7,551,000	7,453,000
% chains to total	42.8	44.8
Restaurants, Cafeterias & Eating Places:		
Chains	6	7
Stores (max.) ..	41	44
Chain sales	2,250,100	2,483,200
Total sales	10,147,000	10,279,000
% chains to total	22.2	24.2
Drug Stores:		
Chains	8	7
Stores (max.) ..	56	51
Chain sales	2,342,200	2,335,200
Total sales	13,108,000	13,501,000
% chains to total	17.9	17.3
All Stores—Total:		
Chains	135	134
Stores (max.) ..	1,416	1,344
Chain sales	82,738,300	82,048,600
Total sales	561,192,000	564,537,000
% chains to total	14.7	14.5

Big Trading Centres

The huge volume of merchandise trade in Quebec naturally has evolved itself into a number of important trading centres. Of the 35 leading trade centres in Canada, 8 are located in the province. Montreal, of course, is the largest, not only in the province but in the Dominion.

The Government has not reported on the volume of trading by cities since the census of 1930. But taking the returns for that year as 100, the volume of retail trade of late has been running somewhat above that level. The same condition applies to wholesale trade.

Returns covering merchandise trade in Quebec cities for 1930, therefore, provide a reasonably accurate index of the volume of business handled by each and their relative importance. For that reason the following table is of interest:

TRADE CENTRES IN QUEBEC

	No. of Estab-lishments	Net Sales $	No. of Stores	Net Sales $
Montreal	1,838	786,332,800	11,980	369,471,200
Quebec	249	75,180,800	1,742	48,172,200
Verdun	6	392,700	588	12,774,300
Three Rivers	30	5,083,500	456	10,079,700
Hull	41	1,138,500	443	7,776,900
Sherbrooke	41	9,452,200	428	10,959,900
Outremont	9	4,372,300	129	4,306,700
Westmount	7	2,059,200	128	6,330,100

Note:—Montreal, Verdun, Outremont and Westmount are all in the Montreal metropolitan area.

Indices of Quebec Buying Power

	Population 1939 No. (000)	Population 1939 % Total	National Income per Capita 1940 $	Retail Sales per Capita 1939 $	Dominion Inc. Tax Assessment per Capita 1939 $	No. Persons per House-hold 1931	Employment Index 1926=100 Dec. 1, 1940	Telephones 1939 (No. per 100 persons)	Auto's 1939 (No. per 100 persons)	Radios 1940 (No. per 100 persons)	Domestic Electric Meters 1940 (No. per 100 persons)
P. E. I. .	95	0.8	286	120	46	4.6	106.1	5.8	8.5	6.0	5.3
N. S.	554	4.9	326	178	49	4.6	142.7	8.9	9.7	10.1	12.1
N. B.	451	4.0	293	164	48	5.0	123.4	7.5	8.5	8.4	10.6
Que.	**3,210**	**28.4**	**358**	**135**	**84**	**5.2**	**149.7**	**9.7**	**6.6**	**9.9**	**14.3**
Ont.	3,752	33.2	530	267	154	4.1	142.7	16.8	18.2	13.9	19.0
Man.	727	6.4	394	222	54	4.6	110.2	10.1	12.2	12.3	17.0
Sask. ...	949	8.4	295	152	21	4.5	123.0	8.7	12.5	10.4	5.5
Alta.	789	7.0	390	208	52	4.1	129.4	8.9	14.4	13.1	8.5
B. C.	774	6.7	517	302	165	3.6	123.6	18.1	15.8	14.7	22.7
Aver. for Can. ..	11,315	100.0	420	216	100	4,4	124.1	12.3	12.7	11.9	15.3

OUR SERVICES

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- Administration of real estate
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- Keeping of stocks, shares, securities, etc.
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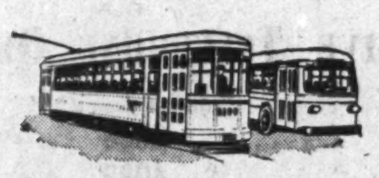
ESSENTIAL

QUEBEC marches on. Victory demands the utmost from every unit of industry. The province gives eager support to the war effort. Production is at a high level. So also is employment, with consequently greater demands on tramways services.

The Montreal Tramways Company, equipped to serve the largest city in the Dominion, is carrying approximately a third of all tram passengers daily transported in Canada. Every department of the company is exerting its fullest effort in the present urgency.

An Order-in-Council passed in Ottawa on November 13, 1940, emphasizes the indispensable place of transportation in the scheme of war activity by including tramways among those services "essential for the prosecution of the war or to the life of the community."



Facts and Figures

●

A distance equivalent to that from Montreal to Toronto — approximately 300 miles — is covered by Montreal Tramways tracks, which are supplemented by more than 80 miles (one way only) of bus routes.

●

If all the street cars in Montreal were placed end to end they would form a procession over eight miles long.

●

Modern cars, buses and equipment, substations, tracks, etc. — all the development of the city's transportation facilities upon which Montreal's progress depends — represent an investment of over 50 million dollars.

●

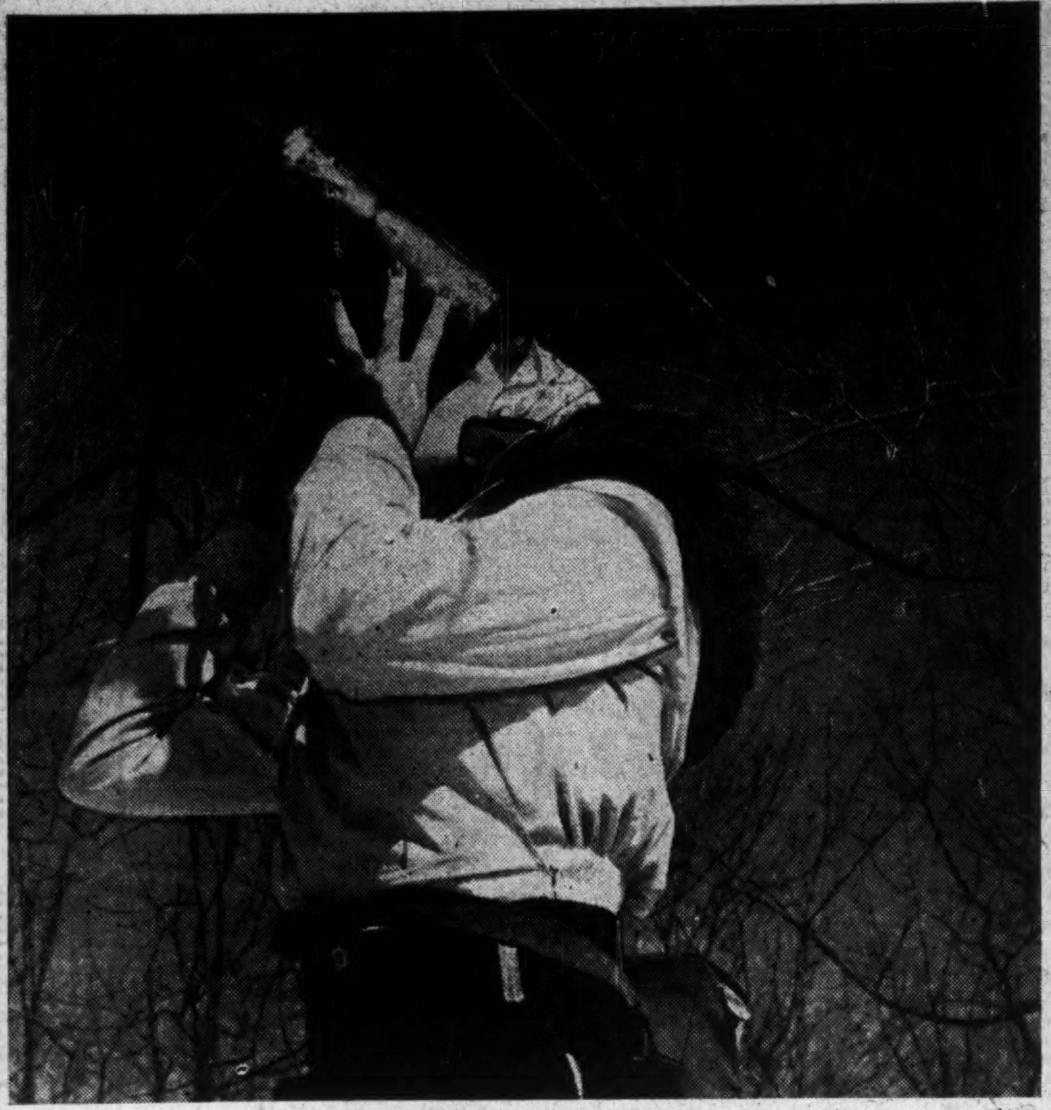
3¼ times around the world a day — 32 million miles a year — is the distance travelled by Montreal tramcars and buses, which carry 208 million revenue passengers a year.

●

Annual wages to Montreal Tramways Company employees exceed $5,000,000.

MONTREAL TRAMWAYS COMPANY

1941 IS THE EIGHTIETH YEAR OF PUBLIC TRANSPORTATION IN MONTREAL



Most of Canada's maple sugar and syrup comes from the Ancient Province. Above a young skier samples the run of sap.

Maple Sugar Output Important

No survey of Quebec economy would be complete without reference to that most unique industry—maple syrup and maple sugar. Long before the white man came to this country, the Indians had discovered the value and delight of the maple sap. For many years after the first settlement, maple syrup constituted the principal, and in many cases the only, source of sugar for the inhabitants.

Through improvement in manufacturing processes and encouragement of the Government, the maple sugar and syrup industry has developed. Now it constitutes a regular form of income, with a value last year of nearly $2.5 millions.

Quebec Well in Lead

This industry centres in Quebec For example, last year Quebec accounted for over 80% of the total maple sugar output and more than 60% of the maple syrup production. A small output is reported in Nova Scotia, New Brunswick and Ontario, but Quebec is, and always has been, the predominant producer of maple sugar and syrup.

The first maple sugar statistics compiled for the whole of Canada date back to 1851. From that year until 1861, the annual production of maple products was around 13,500,000 lb.; from 1861 to 1871, 17,500,000 lb.; from 1871 to 1881, 19,000,000 lb.; from 1881 to 1890, 22,000,000 lb. After that date production decreased somewhat, so that by 1901 it had fallen to 21.2 million lb. and dropped to just under 20 million lb. in 1911

Depends on "Run"

Production naturally is variable, depending upon the "run." In recent years the output has ranged from around 21 million lb. to 11 million lb.

The trend of production of maple sugar and maple syrup, together with values, for the period from 1934 to 1940 follows:

Production of Maple Sugar

	Lbs. Quantity	Value
1940	3,251,700	$487,800
1939	2,715,400	380,200
1938	3,212,100	321,200
1937	4,020,000	442,200
1936	8,506,000	927,200
1935	5,747,000	595,800
1934	4,275,000	446,900

Production of Maple Syrup

	Quantity Gals.*	Value
1940	2,211,000	$2,808,000
1939	1,810,400	2,283,000
1938	2,253,000	2,589,100
1937	780,000	863,800
1936	1,387,900	1,554,500
1935	1,581,600	1,671,500
1934	1,282,500	1,462,100

*One gallon of syrup equals 10 lb. of sugar.

FIRST CENSUS IN QUEBEC

The first Canadian census was taken in 1666; it showed the population of Quebec as being 3,215. This was the first of modern censuses; a field in which the Dominion has pioneered.

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Merchandise Sales In Quebec

Net Wholesale Trade

Kind of Business	Actual 1930 $	— Estimated — (Add 000) 1938 $	1939 $
Amusem't, photo. & sport. goods	787	862	809
Automotive	3,690	3,300	3,361
Chemicals and paints	4,150	5,808	7,028
Drugs and sundries	9,159	8,154	8,529
Coal and coke	26,712	23,960	27,219
Dry goods	45,569	35,085	39,745
Electrical	5,935	6,453	6,337
Farm supplies	4,959	5,605	4,854
Foods	151,570	147,173	154,237
Groceries	49,991	45,284	47,441
Dairy & poultry prods.	37,018	31,873	35,028
Fruits and vegetables	23,193	23,228	24,436
Meats and fish	41,368	46,788	47,332
Furniture	5,661	5,202	5,358
General merchandise	4,740	3,522	3,987
Hardware	15,213	13,920	15,006
Jewellery & optical goods	3,427	3,229	3,348
Leather	3,054	2,221	2,723
Lumber & bldg. materials	13,440	8,243	9,735
Machinery	14,767	10,282	10,633
Metals, metal work	8,424	6,781	8,097
Paper and products	6,009	6,245	6,495
Petroleum products	37,398	40,322	38,548
Plumbing, heat. equip.	5,431	3,739	4,206
Tobacco & confectionery	8,292	9,222	10,043
All other	7,842	10,309	11,469

Net Retail Trade

Kind of Business	Total Net Sales 1930 $	Estimated Sales (Add 000) 1938 $	1939 $
Food group	186,233	157,220	156,150
Candy & confectionery	20,332	13,232	13,100
Fruit and vegetables	3,133	3,082	3,196
Grocery & combination	119,715	100,983	99,375
Meat markets	20,812	19,782	20,158
Country general stores	50,390	46,793	45,857
Gen. merchandise group	85,228	71,001	73,521
Department stores	55,477	42,351	43,537
Dry goods stores	11,957	10,503	10,450
General merch'dise stores	5,779	4,896	5,190
Variety stores	12,014	13,251	14,344
Automotive group	71,739	84,475	82,068
Motor vehicle dealers	45,589	58,634	55,292
Access., tires & batteries	2,574	2,513	2,533
Filling stations	10,158	12,678	13,350
Garages	12,775	10,072	10,314
Apparel group	61,105	48,286	49,779
Men's & boys' clothing	17,998	14,352	14,610
Family clothing stores	12,401	13,116	13,693
Women's apparel	20,146	13,267	14,023
Shoe stores	10,560	7,551	7,453
Building materials group	29,757	21,427	22,575
Hardware stores	14,159	11,763	11,951
Lumber, bldg. mater. deal.	10,541	6,342	7,065
Electrical, heat. & plumb.	2,979	2,078	2,167
Furn. & household group	30,181	22,950	23,165
Furniture stores	12,909	11,409	11,489
Household appli. stores	4,693	4,028	3,807
Other home furnish. strs.	3,320	2,753	2,852
Radio and music stores	9,258	4,760	5,017
Restaurants	17,205	10,147	10,279
Other retail stores	119,296	98,893	101,143
Farmers' supply stores	8,112	8,101	7,574
Coal and wood yards	16,875	17,711	19,181
Drugstores	14,851	13,108	13,501
Florists	2,023	1,614	1,532
Jewellery stores	7,023	5,083	5,312
Office, school & store sup.	4,819	4,809	4,876
Tobacco stores & stands	7,902	6,426	6,651
Govt. liquor stores	26,563	16,953	17,293
Taverns	10,424	6,571	6,906
Miscellaneous	19,355	17,333	17,090

Total Sales

Average Year

Wholesale . . . . $382 millions

Retail . . . . $565 millions

48 Years of Public Service

A PROGRESSIVE TELEPHONE ORGANIZATION

	Stations connected	Gross revenues
1936	2988	$139,655
1940	4089	204,264

Through its subsidiaries, the National Telephone Company and the Portneuf & Champlain Telephone Company.

The Quebec Telephone & Power Corporation

operates in 14 counties of Eastern Quebec, serving towns as Rimouski, Mont-Joli, Matane, Montmagny, Donnacona and Portneuf.

HEAD OFFICE: RIMOUSKI, P.Q., CANADA

Territory Well Served With Electrical Power

Lower St. Lawrence Power Company and Affiliated Companies Meet Power Needs of Large Area on South Shore.

The Lower St. Lawrence Power Company, organized in 1922, serves a territory on the south shore of the Lower St. Lawrence River in the province of Quebec. The immediate territory supplied at the present time extends from the village of Ste. Rose du Dégelé down to Cabano, Témiscouata, and from L'Isle-Verte down the river to the principal town of this region, Rimouski, thence to Ste. Félicité, a territory of approximately one hundred and fifty miles long.

From Rimouski a 66,000-volt line runs southeasterly down the Matapedia Valley to the boundary line between the Province of Quebec and New Brunswick, a distance of approximately ninety-five miles, where it connects with a line owned by the town of Campbellton. This line also serves the various distributions along the Matapedia Valley territory.

From the Metis Plant a 33,000-volt wood pole line extends both east and west to Ste. Félicité and L'Isle-Verte.

There is also a steel pole line built for 66,000 volts extending down the Matapedia Valley to Matapedia where a connection is made to a line owned by the City of Campbellton, New Brunswick. A third line, using Aroostook power, serves the Southern Temiscouata District.

The Quebec Provincial Government in October, 1923, completed the construction of a storage dam at the mouth of the largest of three lakes on the upper reaches of the Metis River. This work is in accordance with the Governmental Policy of aiding hydro-electric developments within the province. The storage dam provides Storage Reservoir No. 1 having a total capacity of approximately 3,000,000,000 cubic feet. The drainage area above Reservoir No. 1 is 145 square miles.

During the last thirteen years the Company's revenue has increased by 100%.

LOWER ST. LAWRENCE POWER COMPANY
HEAD OFFICE: RIMOUSKI, P.Q., CANADA

DO YOU KNOW THAT...

Imperial Oil pays more in Canadian Income Taxes than it earns in Canada?

★ ★ ★

FOR EVERY DOLLAR that it earned in its Canadian refining and marketing operations during the years 1935—39, Imperial Oil Limited paid out to Canadian governments *for income taxes alone* $1.13½.

This was because a great part of Imperial Oil's income was derived from its large operations outside of Canada. These operations increase the Canadian public revenues and improve Canada's foreign exchange position.

During the five years referred to, Imperial Oil averaged a net profit of only about two-fifths of one cent for each gallon of product that it manufactured and sold in Canada.

SOME FACTS ABOUT IMPERIAL OIL

50,000 Canadians are shareholders in Imperial Oil Limited. 5,000 of these are employees of the Company.

★

10,000 people are employed in Imperial Oil activities throughout Canada.

★

Imperial Oil employees enjoy security . . . Sickness and death benefits, group insurance and a thrift plan protect them and their dependents . . . A pension plan provides for their future . . . When their years of productive effort have passed they do not become charges upon the taxpayer.

★

Imperial Oil is the only Company which manufactures and distributes petroleum products throughout Canada and in Newfoundland.

★

Through its operations abroad Imperial Oil brings millions of dollars of foreign exchange into Canada each year.

★

Imperial Oil engages in every phase of the oil industry from exploration for crude oil to the marketing of finished products.

★

Imperial Oil pioneered the distribution of petroleum products on the western plains and in the "New North."

Imperial Oil never had a strike or a lock-out. It pays fair wages, affords the best possible working conditions, and through its industrial representation system gives workers a voice in matters affecting them.

★

Imperial Oil operates the world's most northerly oil field and refinery near Fort Norman in the North West Territories.

★

Imperial Oil's capital structure is simple . . . It has never issued other than common stock . . . It has no bonds, debentures or preferred stock.

★

Imperial Oil's cost figures include no charges for funded debt or for interest on capital investment.

★

From its Canadian operations Imperial Oil has averaged, during the past five years, a return of not more than five per cent on its invested capital, every cent of which is continuously and usefully employed.

★

Imperial Oil employees serving in the armed forces receive from the Company the difference between their service pay and their salaries or wages at time of enlistment.

IMPERIAL PRODUCTS

IMPERIAL OIL LIMITED
Everywhere in Canada

Buy War Savings Certificates Regularly

Social Services Develop Widely

Distress Alleviated by Private And Governmental Organizations

Social services in the Province of Quebec have been molded by the unique characteristics of the province's social structure. They are gradually developing with the requirements of a new era of social responsibility.

In other provinces, government has been largely responsible for the welfare services, but in Quebec administration is split between provincial, and municipal governments, principally the Church.

From the start of Quebec history the Church and religious orders have carried the burden of social services and still continue to do so to a large extent. It is estimated that the annual cost to religious institutions of this burden is not less than $10 millions.

Administration Duties

Social service facilities on their present scale are a development of the past 10 years. Because of the relative newness of the responsibility and the number of bodies engaged in welfare work, an irregular pattern of administration has been erected.

The unique system of administrating social services in the province is maturing and a greater effort to centralization is being made.

For centuries—before the large-scale industrialization of the province—the social service needs of the people were relatively simple. Family and parish governed the life of the community and the family was a self-sufficient unit.

This concept of the responsibility for charitable work survived until conditions of widespread distress made it impossible for the existing structure to carry the burden.

Quebec Methods Unique

Comparison of Quebec methods with those in vogue in other provinces is likely to prove misleading. A greater degree of centralization has taken place elsewhere. But that does not necessarily mean the result has been less satisfactory in Quebec.

There still exists a considerable difference between the administration of social services in Quebec with the rest of the Dominion. Education, hospitals, institutions for the insane, orphanages, and reform and industrial schools are still largely supported by religious orders and private institutions.

Public Charities Act

In operation since 1921 the Quebec Bureau of Public Charities is an important factor in the social service field. A wide variety of charitable institutions receive aid under the Public Charities Act of 1921: Homes, hospitals, day nurseries, sanatoria, places of refuge, orphan homes, etc. Assistance may be given to either municipal or private institutions engaged in welfare work.

The Bureau may also recommend that the Government guarantee payment of annual interest on loans contracted by institutions for welfare purposes.

In the case of hospitalization of indigent patients, the province pays one third of the cost; the municipality where the patient is domiciled another third, and the charitable institution assumes the remaining cost. This distribution of cost is in contrast to that used in other provinces, where the burden is shared by provincial and municipal governments.

Private Charity Inadequate

Revenue of the Public Charities Fund is obtained from taxes, licenses and fees. There is a 5% hospital tax levied on meals of 35 cents or over, served in hotels and restaurants. The Quebec Liquor Commission makes an annual grant of $1 million from profits. Revenue is derived from a tax placed on liquor purchases.

Social service requirements since 1930 have far outstripped the ability of private institutions to provide them.

By June, 1940, the province had funded $54.7 millions of expenditure on relief works; $1.4 million of advances to mental institutions; $16.9 millions of grants to hospitals and charitable institutions; and $67.3 millions of direct relief expenditure. In the 1940 fiscal year, welfare expenditure, including the Public Charities Fund, charged to current expenditure, amounted to $30.6 millions. No attempt has been made to calculate the money contributed by private sources or municipal governments.

Series of Social Legislation

In addition to the Public Charities Act there has been a broad list of legislation written to cover the needs of welfare services.

The province has vigorously attacked the problem of checking tuberculosis.

Quebec instituted an old age pensions scheme in 1936, creating an Old Age Pensions Commission.

Maximum pension is $240 annually and 75% of the pension is paid by the Dominion Government, under the Dominion scheme, started in 1927. Cost of old age pensions to the province in 1940 was $3 millions and the Dominion's share was $8.1 millions.

The province has set up machinery to care for needy mothers. Allowance to a mother with two children under 16 years of age is $40 a month and a further $5 is granted for each additional child. The Old Age Pensions Commission administers the Act.

Workmen's Compensation Board

The Workmen's Compensation Board functions in a similar manner to other provincial boards. It gives compensation to injured industrial victims.

There are a number of major private charitable organizations functioning in the province.

In the City of Montreal, where a large part of the province's unemployment situation has been concentrated, there are three principal agencies.

The Protestant population of the province, mainly resident in the metropolis, has followed the organizational methods used in other provinces in administering social services, rather than the system in use in Catholic Quebec.

Montreal Charity Bodies

The Montreal Council of Social Agencies is a co-ordinating body, administering all welfare matters relating to the Protestant population. It is comprised of self-supporting organizations and others receiving aid from the community chest of Federated Charities.

The Federation of Jewish Philanthropies looks after the Jewish population, collecting funds by public appeal. Unlike Federated Charities, the Jewish body administers its own relief.

French Canadians account for nearly three quarters of Montreal's population. In addition to the Church, Federation des Oeuvres de Charite Canadienne-Françaises looks after the charity needs of this section of the population.

St. Vincent de Paul

In the Federation are 22 agencies. Its organization is closely comparable to that of the Council of Social Agencies.

All Catholic organizations in Montreal are centralized and co-ordinated. In other cities and towns of the province this co-ordination is lacking. Outside of Quebec City and Montreal the principal charitable organization is the St. Vincent de Paul. Organized in 1846, it operates in all Catholic centres.

Direct relief and aid through public works has been the costliest item that the province has borne in its effort to alleviate the effects of depression.

Provincial Burden Heavy

In collaboration with the Dominion and municipalities and alone it has dispensed direct relief, undertaken a large programme of unemployment relief works and promoted back to the land schemes to relieve acute unemployment.

The costliest period in the province's history was from 1930 to 1937. In that time all expenditure of the Dominion, provincial and municipal governments totalled $144.3 millions, distributed as follows:

Province: $57.6 millions.
Dominion: $47.6 millions.
Municipalities: $39.1 millions.

Municipalities Share Costs

The burden on municipalities in Quebec has been greater than upon local governments in other provinces. Comparing the Dominion's two largest cities: Montreal's share of unemployment relief has varied from 48% to 50% of the total, while Toronto's share has been between 35% and 39.5% of the cost.

To this onerous burden may be attributed much of the financial difficulties that Quebec municipalities have encountered.

Quebec Province possesses a series of labor laws, most of which are of comparatively recent origin. Most of the labor laws were passed during the period of economic distress of the depression.

In 1934 the province enacted legislation to extend collective labor agreements, and in 1937 the Fair Wages Act was passed.

Quebec Labor Movements

Esdras Minville, in a Sirois survey of Quebec social services, estimates that there were about 115,000 employees protected by 60 collective labor agreements in 1939.

A large majority of Quebec wage earners, equal to about 87% of the total, remain unorganized and depend upon recent legislation for protection.

The organized elements of labor are divided into the following categories:

1. International trade unions.
2. Catholic trade unions.
3. Catholic union of farmers.

The first two units are of about equal membership. Total of all workers organized is about 12.5% of those eligible for membership in a union.

Legislation of Recent Origin

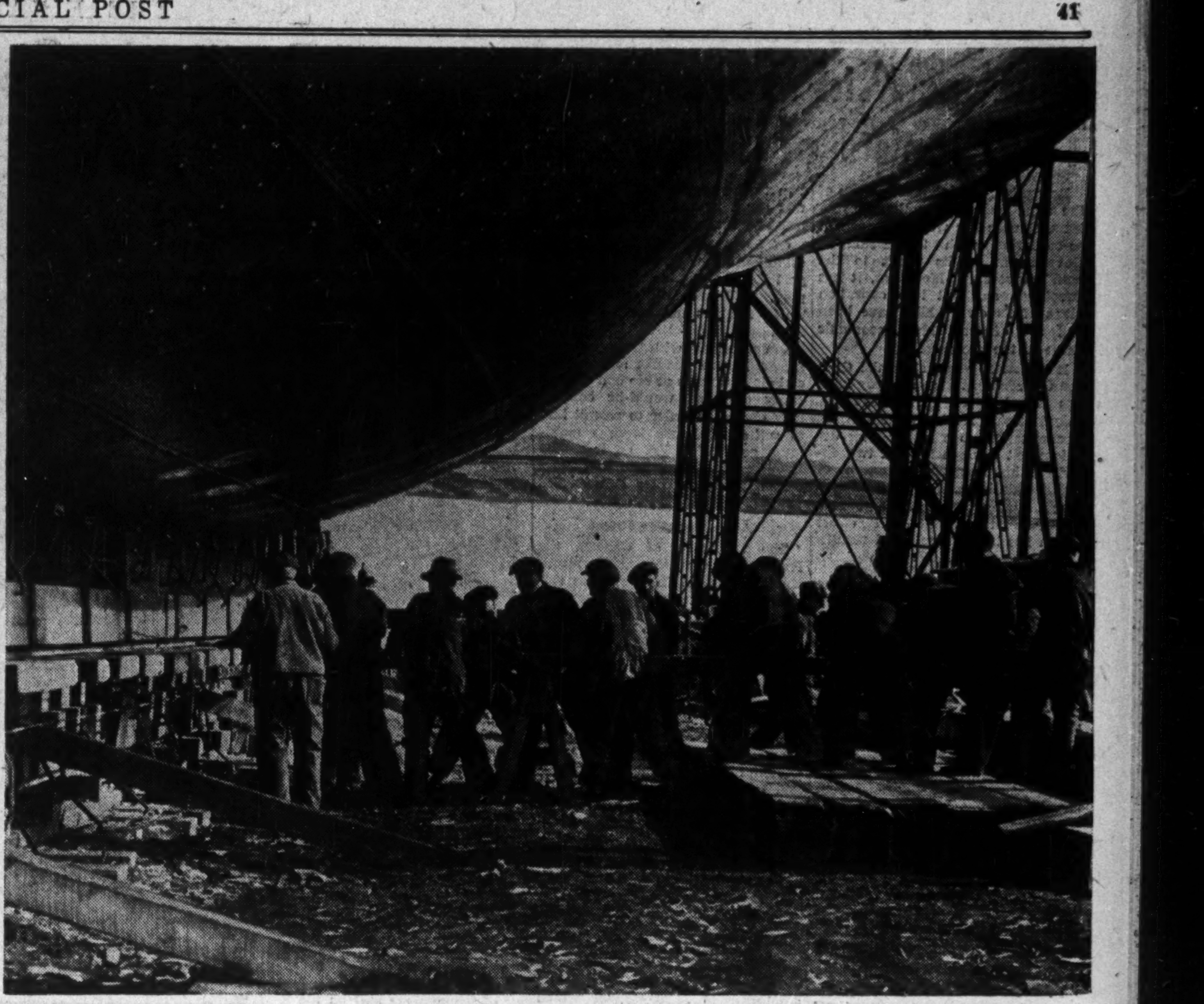
The Catholic Union of Farmers, with about 15,000 members, represents only a small fraction of those employed in agriculture.

Labor legislation in the province rests basically on two statutes:

1. The Lieutenant-Governor in Council is empowered to extend collective labor agreements to all wage earners and employers in any industry or region.
2. The Fair Wage Law applies to all other wage earners, with the exception of laborers and domestic servants, who have not the organization to enter into this scheme.

Catholic labor unions are peculiar to the labor movement in Quebec. The underlying philosophy of these units is much broader and more all-inclusive than that of international unionism.

In general, labor legislation in Quebec is considered of too recent origin to have had a determining effect upon the trend of industry and production costs.



Man Power and Social Services Expand

Motor Car Use Widens

Motor vehicles in use in the Province of Quebec have increased steadily from year to year and the total number in service at the beginning of 1940 was 213,148.

In recent years Quebec has been purchasing more than 20,000 new vehicles each year, accounting for between 18% and 20% of total Dominion sales, and, judged by registrations, about 40% of new car sales represent a net gain.

Details of the last registration show an increase in all types of motor vehicles in service. Thus at the beginning of 1940 there were 171,766 passenger automobiles in use, a gain of 5,000 over that reported in the previous year. The number of trucks licensed also showed a healthy increase, as was the case with motor buses and motor cycles.

Motor Vehicle Registrations
(As at January 1)

Type	1940	1939
Passenger	171,766	166,447
Trucks	37,141	35,641
Buses	796	708
Cycles	2,879	2,667
Other	566	......
Total	213,148	205,463
Trailers	9,511	8,449
Chauf. licenses	66,784	58,852
Drivers' licenses	216,224	188,953
Dealers' licenses	459	450

Trend of Registrations
(Beginning of year)

1921	41,562	1937	181,628
1925	84,949	1938	197,917
1929	148,096	1939	205,463
1933	165,730	1940	213,148

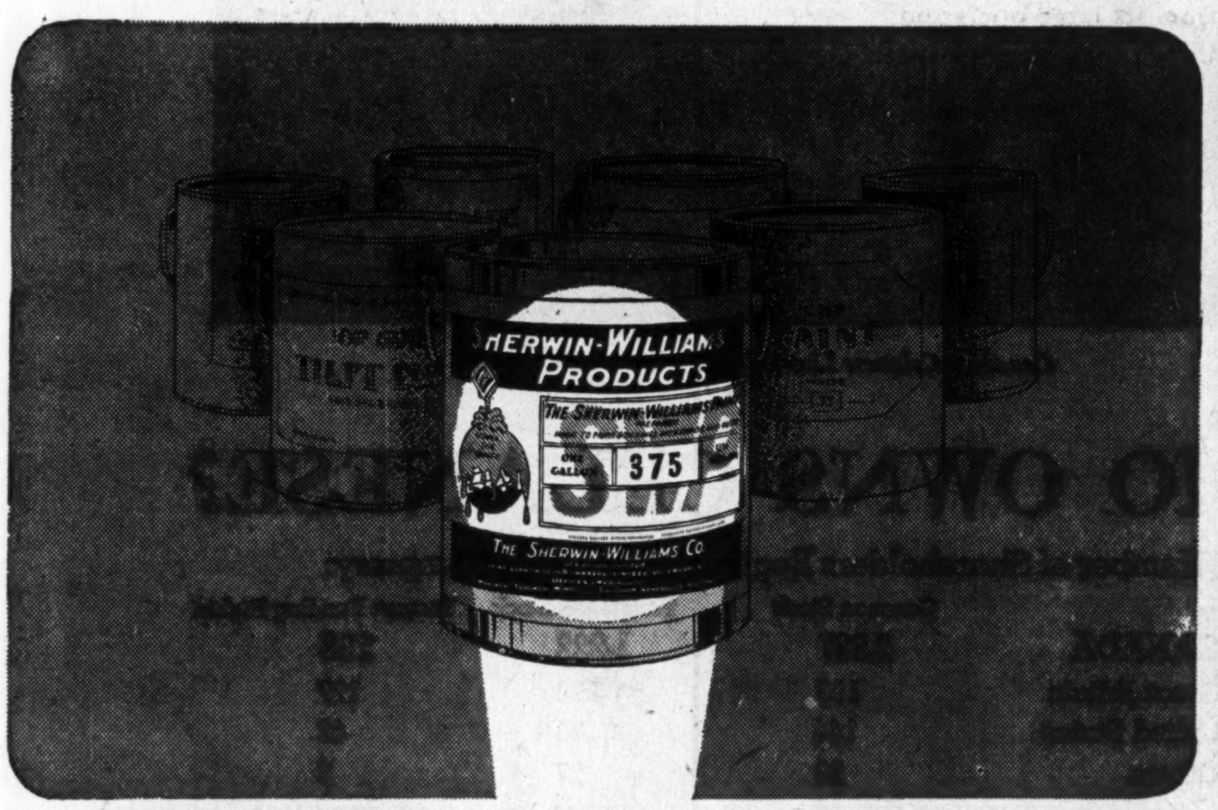
Third in Montreal

With such a large percentage of the province's population centred in Montreal, it is not surprising that about one third of all motors are registered in that city. If the greater Montreal area is taken into consideration, the number of registrations would be well over the 80,000 mark.

Quebec City ranks second on the list in respect to motor vehicle registrations, with Verdun and Westmount following in the order named.

Nearly $59 Millions In Quebec Tramways

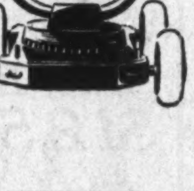
Quebec boasts five municipal electrical tramways systems, operating in Montreal, Quebec, Hull, Levis and Shawinigan Falls. Total capital invested in these systems amounts to nearly $59 millions. During the past year they carried over 250 million passengers.



WHEN BUYING PAINT
turn the spotlight on the label

There are grades of paint just as there are grades of fruit, beef, etc. But as yet, the consumer has no authoritative standards to guide him when buying paint.

That's why experienced buyers in industrial plants and factories purchase more Sherwin-Williams paint than any other. To them, the Sherwin-Williams label is a guarantee that they are getting the best that money can buy.

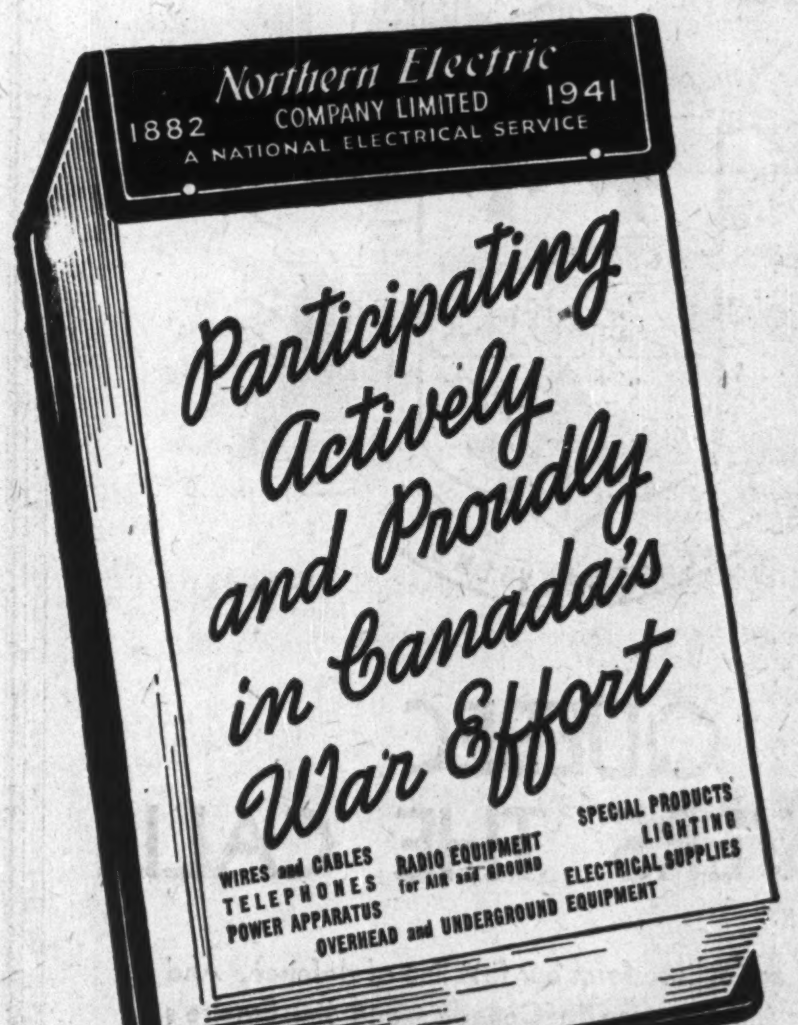


Sherwin-Williams are specialists in paint. The experience gained in seventy-four years of research, testing and manufacture have made their products today as near perfect as modern finishes can be.

Our research chemists are experienced in developing special industrial finishes to meet special conditions. If YOU have a painting problem, call the nearest Sherwin-Williams office.

THE SHERWIN-WILLIAMS CO.
of Canada, Limited

HALIFAX SAINT JOHN CHARLOTTETOWN QUEBEC MONTREAL ROUYN
OTTAWA KINGSTON TORONTO HAMILTON BRANTFORD KITCHENER WINDSOR
FORT WILLIAM WINNIPEG REGINA SASKATOON CALGARY EDMONTON VANCOUVER


Northern Electric
1882 COMPANY LIMITED 1941
A NATIONAL ELECTRICAL SERVICE
Participating Actively and Proudly in Canada's War Effort
WIRES and CABLES
TELEPHONES
POWER APPARATUS
RADIO EQUIPMENT for AIR and GROUND
SPECIAL PRODUCTS
LIGHTING
ELECTRICAL SUPPLIES
OVERHEAD and UNDERGROUND EQUIPMENT

Carrying on as usual -

. . . with Northern's complete line of electrical equipment for industrial, commercial and domestic uses.

23 DISTRIBUTING CENTRES ACROSS CANADA

Quebec Aid Proves Boon To Colonists of Today

Recognizing in colonization one of the most important national problems, Quebec has worked in closest co-operation with the Dominion Government in its "back to the land" movement. Moreover, it has developed and put into operation plans of its own which have been and are of tremendous economic value to the province.

It is now 25 years since the Quebec Government began to pay serious attention to the question of colonization. Held by controlling circumstances to a rather slow development through its first two decades, this important branch of public administration has experienced during the past six years a marked intensification of effort which has brought splendid results.

Twofold Object

In this undertaking the object was twofold: To extend the agricultural domain and to retain on the land at least a portion of the excess population of the older parishes, which otherwise would have drifted to the cities.

From 1901 to 1935 the Government showed its active encouragement toward colonization by means of various practical measures: Sale of lots to colonists at low prices and on easy payment conditions; substantial yearly grants for colonization road building; distribution of seed; building of chapel-schools; repatriation of Franco-Americans; substantial publicity, etc. Moreover, as far back as 1923, the Department of Colonization inaugurated the granting of premiums for clearing the land and for the first ploughing.

Became Social Problem

In 1931, however, the economic depression continued to make itself more and more manifest, with the result that the number of employees in industrial establishments was constantly diminishing. Many of the unemployed having been resident in the city for only a few years, desired nothing better than a means of returning to rural life. Diocesan colonization societies and various other organizations joined their efforts to those of the Government and colonization entered a new era of activity.

However, the funds available did not allow of a movement of sufficient scope to erase unemployment. In October, 1934, the Colonization Congress was held and resolutions adopted, which were sanctioned at the following session of Parliament.

From 1935 to 1937 a special appropriation of $10 millions, in addition to the regular yearly budgets, was spent by the Quebec Government in furthering colonization.

Of the out-of-work families who established new parishes during the past three years, according to this plan, 3,205 are still on the land. These families number 20,412 persons.

In accordance with the agreement signed by the Federal and provincial Governments at the end of 1936, every qualified would-be colonist may obtain, in order to permit him to settle on Crown land, a maximum grant of $1,000. Of this, $820 is to be paid in the two first years and, if necessary, $100 in the third year, and $80 the fourth year.

A Co-operative Effort

The Dominion of Canada, the Province of Quebec and the municipality wherein the would-be settler resides, contract to pay an equal share of the amount of the grant. However, the provincial government has consented to pay the municipality's share, except in the case of towns where it contributes toward direct relief. The choice of families and the control of grants are in the hands of a commission comprising representatives of the Ottawa and provincial governments and of the two principal railroad companies.

Results Worthwhile

Since this colonization plan was adopted, the Commission has had 8,920 applications, of which 4,505 were accepted and 2,741 refused.

Over 2,000 families numbering 15,748 members have been settled. Of this number, 267, or 9.78% of families, subsequently left the land. The cost of these settlements amounted to $1,209,453, of which $87,236 was spent on transportation, $474,852 on buildings, $613,969 in grants and $33,399 for various other purposes.

Quebec Has Own Projects

Besides the federal-provincial back to the land movement, the provincial government has been carrying out another colonization scheme of its own.

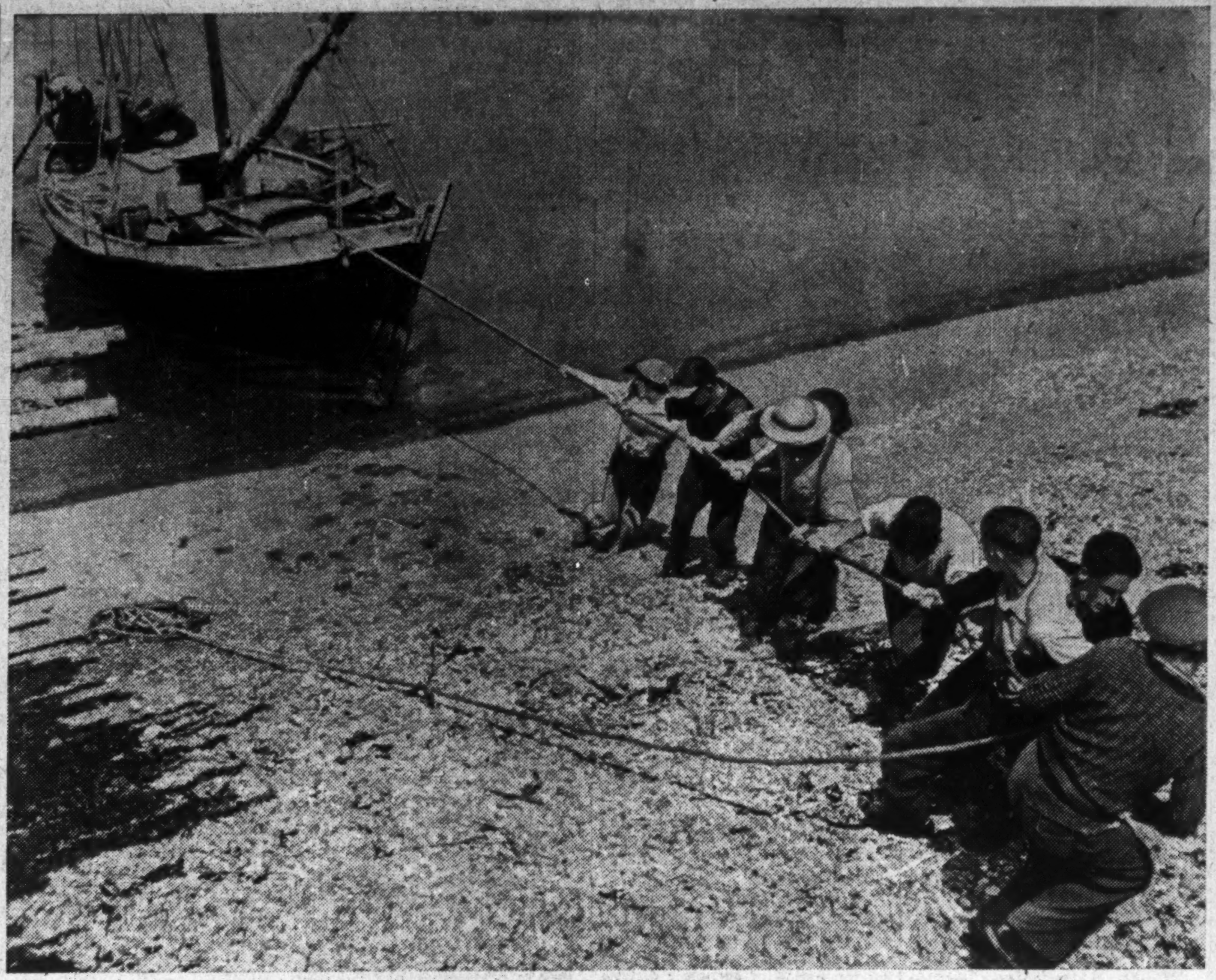
The scheme involved is what might be called the "group" system.

This group system permits the immediate setting up of completely organized parishes, and spares the settlers that depressing isolation which was formerly the lot of the pioneer, sometimes for years on end.

This plan, a purely provincial undertaking, has resulted to date in the establishing of 7,419 settler families numbering 29,411 persons, all of whom were still on the land at the end of the two-year period.

Grants were also made for the construction of houses and stables, as well as for the settler's subsistence during his first five months on the land. Further grants obtainable when the settler is to make a definite transition from settler to farmer are those for the purchase of cattle, seed, etc.

The Quebec Government has always given special attention to the question of good roads for the colonists. In the five years ended June 30, 1940, there have been 1,862 miles of new roads built; 2,496 miles of road completed; 8,950 miles of road repaired, and bridges constructed with an aggregate length of 121,960 feet—all for the colonist. The money expenditure entailed in this work totals to date $15,252,028.



Out of the sea comes wealth for Quebec. Commercial fishing along both shores of the mighty St. Lawrence is the basis for an important industry.

Quebec Mines Big War Item

(Continued from Page 38)

settled regions of the province. As a consequence until 1927 almost the entire mineral production was derived from deposits in the southern strip of the province that forms the basin of the St. Lawrence and Ottawa Rivers.

Further the great bulk of production was of non-metallic minerals and building materials, the main items being asbestos, mica, feldspar, magnesite-dolomite, and limestone, marble, granite, sandstone and slay products.

Deposits Long Untouched

During the years 1914-1919, when "war metals" were in great demand and commanded high prices, the gold deposits of western Quebec were almost wholly neglected, in spite of the promising appearance of many of the discoveries and their favorable geological setting. At that time, however, and until about five years later, no very large base metal mines had been developed in the province.

Production then consisted predominately of non-metallics and building materials. Thus the average annual value of Quebec's production of metals between 1916 and 1926 was of the order of only $1 million, whereas that of non-metallics, including building materials, was $20 millions.

It had taken nearly two centuries to reach these figures. Within the next few years the ratio between metallic and non-metallic mineral production was reversed and the whole aspect of the industry changed.

In 1920 Edmund Horne, a prospector, staked several claims in Rouyn township. Noranda Mines Ltd. acquired the Horne group of claims and actively developed them. In six years Horne's discovery was transformed into one of Canada's leading copper-gold mines.

This success aroused great interest in the region and Quebec's metal mining industry entered a new era of development and expansion.

Ten years after the development of the Horne mine, the Rouyn-Hurricana district had 21 mines in production, yielding copper, gold, silver, zinc, iron pyrite, selenium and tellurium.

Many other mines have since come into production.

Sharp Gain in Output

The ores in Quebec's Valley of Gold are copper-bearing and as is to be expected, in view of the expansion in gold production, the output of copper has shown an equally amazing expansion.

The trend in gold and copper production since 1926 is set out in the following table. Because of wartime regulations it is not possible to include 1940 returns.

	Gold oz.	Copper lb.
1939	943,069	117,699,800
1938	881,263	112,645,797
1937	711,482	94,653,135
1936	666,905	66,340,175
1934	390,103	73,968,545
1932	401,105	67,336,602
1930	141,747	80,310,363
1928	60,006	33,697,949
1926	3,679	2,674,068

Develop Other Fields

The vast expansion of the province's mineral industry in recent years has been made possible to a large degree by the assistance extended by the Provincial Government through the Department of Mines. The latter's policy of encouraging mineral development has been expressed in new roads in the mining areas, practical schools for miners, scholarships for mining students, easier regulations for prospectors and pooled stock holdings, bounty on iron mining and closest co-operation of the Bureau of Mines with individual operators.

JE ME SOUVIENS

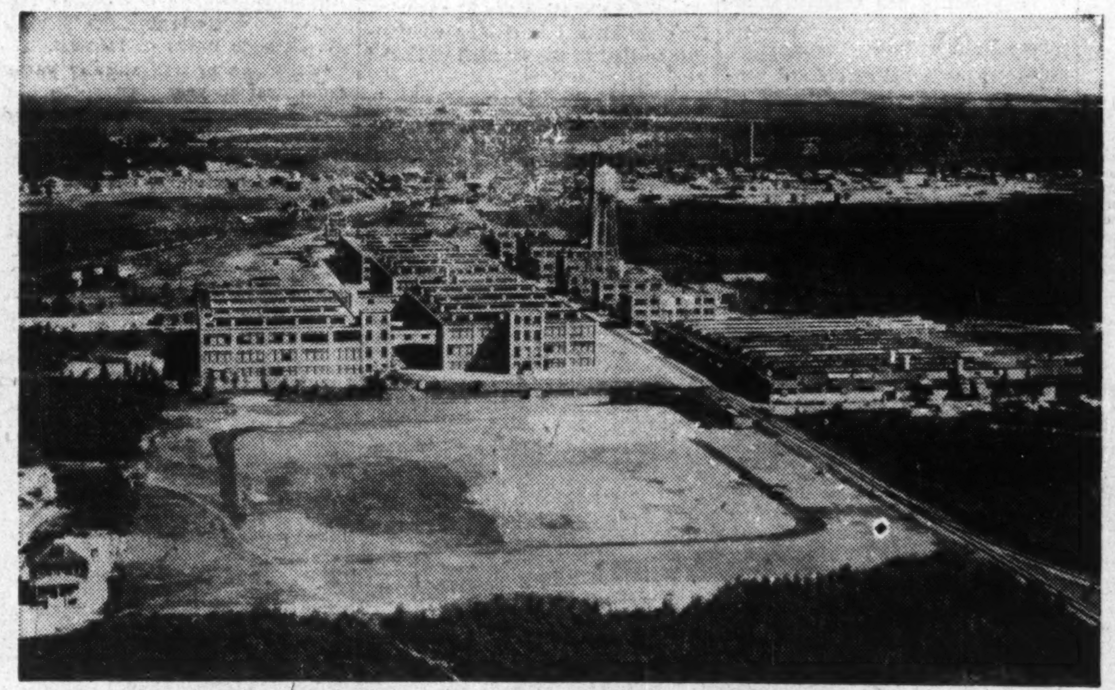
QUEBEC ANSWERS THE CALL!

Industry and agriculture form our first line of defence. And nowhere has the response to Canada's and the Empire's emergency been more instant than in Quebec. From Quebec farms pours a steady stream of needed foodstuffs for Canada and the British Isles. In huge mills and factories the production tempo quickens as Quebec answers the wartime call.

Yes, Quebec marches on, in the very forefront of Canadian wartime effort. And the EATON organization is ready and proud to assist in the final distribution of Quebec-produced merchandise, so that Quebec industry and agriculture may be strengthened and better equipped to meet the nation's and the Empire's wartime demands.

THE T. EATON Cº LIMITED
OF MONTREAL

CANADIAN CELANESE LTD.
A Canadian Institution



Canadian Celanese Limited, Drummondville, P.Q.

WHO OWNS CELANESE?

Number of Shareholders Registered with the Company:

	Common Stock	Preference Stock	Income Funding Rights
CANADA	2,237	1,222	238
Great Britain	193	178	127
United States	144	100	42
Others	26	27	8
Total	2,600	1,527	415

CELANESE IS CONTROLLED BY COMMON AND PREFERENCE STOCKHOLDERS

Where Is This Voting Control Held?

CANADA	Great Britain	United States	Others	Total
54.4%	34.6%	10.0%	1.0%	100%

Capital invested in Buildings, Site, Improvements, Machinery and Equipment $12,500,000.00

Total Number of Employees—2,900

A CANADIAN COMPANY CANADIAN CONTROLLED

CANADIAN CELANESE LTD.

MANUFACTURERS OF CELANESE* STYLE FABRICS

1401 McGill College Avenue.
Montreal, Quebec

*Reg. Can. Pat. Off.

$50 Millions of Plants

War and Peacetime Industries Drawn to Quebec Because of Many Advantages

A minimum of $50 millions of new capital was invested in new industrial plants in Quebec over the past 12 months. Because many of these new plants are directly concerned with the manufacture of munitions and other war materials, particulars cannot be given.

While war plants dominated in the establishment of new industries last year, quite a number of purely peacetime ventures were started. They covered a wide field—plastics, plywood, firebrick, steel products, textiles, novelties, etc.

Quebec has many inducements to offer new industries. Her natural resources are varied and immense and can be easily developed. Almost unlimited water power can be had at as low a price as can be found anywhere in the world, a fact not without significance to electro-chemical and electro-metallurgical industries, a number of which have located in the province.

Then, too, the fact that many of Canada's major industries centre in the province has been the means of attracting supplementary industries.

The provincial Government has been active in promoting industrialization. Municipalities like Montreal have also devoted much attention to this work, while a number of private interests maintain special departments for the same work.

With so many agencies actively working to the end of locating new industries in the province, the results have not been barren. Within recent years more than a score of well-financed, well-organized industries have come to the province from other countries.

Firm	Location	Products Made
Albert Rehbock	Montreal	Cabinet-maker
Albunina Co	Waterloo	
Andreef and Co.	Ste. Therese	Tennis racquets and skis
Artificial Flowers & Feather Co.	Montreal	Artificial flowers
Bernstein Shoe Co.	Montreal	Women's shoes
Best-Ever Slipper Co.	Montreal	Shoes & slippers
Bolta Plastics Ltd.	Granby	Plastics
Canada Printing Ink Co.	Montreal	Printing inks
Canadian Ruler & Mfg. Co.	Bedford	
Colonial Dyeing Co.	Valleyfield	Dyeing & finishing
Comfort Kimono & Dress	Ste. Therese	Cotton goods
Commonwealth Plywood	Ste. Therese	Plywood
Connors Diamond Drilling Co.	Montreal	Drilling tools
Continental Soya Co.	Montreal	Soya bean prod.
City Hide & Skins	Montreal	Dressing & processing of furs
Daylight Fixtures Co.	Montreal	Fluorescent Lighting
Deerfield Packing	St. Martine	Fr'zing of fruits & vegetables
Dion & Frere	Ste. Therese	Farm implements
Dewey & Almy Chemical Co.	Montreal	Adhesives
Desjardins Aug.	Sorel	Concrete pipes
Emdeca Co.	Montreal	Glass, silver plating
Empire Food Products	Montreal	Cannery
Graphic Arts Equipment Co.	Montreal	Lithographers' Supplies
Green Firebrick Ltd.	Montreal	Firebrick
Hires Co., Charles E.	Montreal	Root beer
Hobbs Glass Company	Levis	Glass products
Hope & Sons, John	Sherbrooke	Engraving machinery
Horn Import Co., M. I.	Montreal	Food products & plastics
Huntingdon Woollen Mills	Huntingdon	Woollen goods
Independent Can Co.	Montreal	Cans
Industrial Glass Works	St. Laurent	Glass
International Foils Ltd.	Cap de la Madeleine.	Aluminum foil
International Playing Card	Montreal	Paper specialties
Jordan Wines	Montreal	Wine
La Duchesse Shoe Co.	Richmond	Shoes
Laurentian Art Potteries	St. Jerome	Pottery
Loden Woollen Works	Huntingdon	Wool
Marantz & Sons, S.	Montreal	Shoes
Masonite Co. of Canada	Gatineau	Masonite
Minfermet Ltd.	Montreal	Steel Products
Modern Packaging Co.	Montreal	Fancy boxes
Mount Royal Dairies	L'Artifice	Dairy
National Hosiery Mills	Richmond	Hosiery
Nordic Hosiery	Montreal	Hosiery
Parfume d'Egypte	Montreal	Perfume & toilet preparations
Plastic Mfg. Co. of Canada	Ste. Therese	Plastics
Pierre Thibeault	Pierville	Pumps
Reardon Paint Co.	Montreal	Paints
Reskun Ltd.	Montreal	Textile waste
Rose of Latakia Mfg. Co.	Montreal	Tobacco flavoring
Roxy Shoe Mfg. Co.	l'Assomption	Boots and shoes
St. Basile Paper Co. Ltd.	St. Basile	Paper boxes
St. Luke Industries Ltd.	Montreal	Silk
Saladin Inc.	Montreal	Screen silk printing
Somerset Knitting Mills	Plessisville	Hosiery
Spinners Ltd.	Huntingdon	Worsted yarn
Stafford Co., J. E.	St. Rose	Printing
Stella Dress Co.	St. Rose	Silk dresses,
Tillotson Rubber Co.	St. Johns	Novelties
Trulite Ltd.	Montreal	
Victoria Biscuits	Victoriaville	Biscuits
Viktor Kominik	St. Jerome	Pottery
Vogue Belts & Novelties	Montreal	Novelties
Wood Preservation Industries	Sorel	Wood creosoting

Average Farm Outlay $612

Total annual expenditures per farm in the Province of Quebec amount to $612.80, according to the Dominion Bureau of Statistics. This applies to a farm with an average cultivated area of 83.3 acres.

On the basis of expenditure per cultivated area, Quebec reports the third highest figure, being superseded by Ontario and the Maritime Provinces. Returns for the various economic areas follow:

	Expenditure Per Cultivated Acre		
	Current oper. $	Capital $	Total $
Maritimes	8.14	1.81	10.13
Quebec	4.88	2.04	7.36
Ontario	7.51	2.86	11.04
Manitoba	2.84	1.60	4.74
Saskatchewan	2.05	0.75	3.10
Alberta	2.70	1.29	4.23
B. C.	5.44	1.41	7.05
Dominion	3.72	1.47	5.53

DESJARDINS, COUTURE INC.
INVESTMENT DEALERS
MONTREAL
266 St. James St. West
ST. HYACINTHE
69 St. Francois St.

Administration and Trust Company
(Société d'Administration et de Fiducie)
Established in 1902
Executor, Administrator, Trustee
Hon. E. L. PATENAUDE, President
J. THEO. LECLERC, Managing Director
Head Office—MONTREAL, 5 St. James Street East
BRANCHES:
Quebec Winnipeg Regina Edmonton Vancouver

PROGRESS

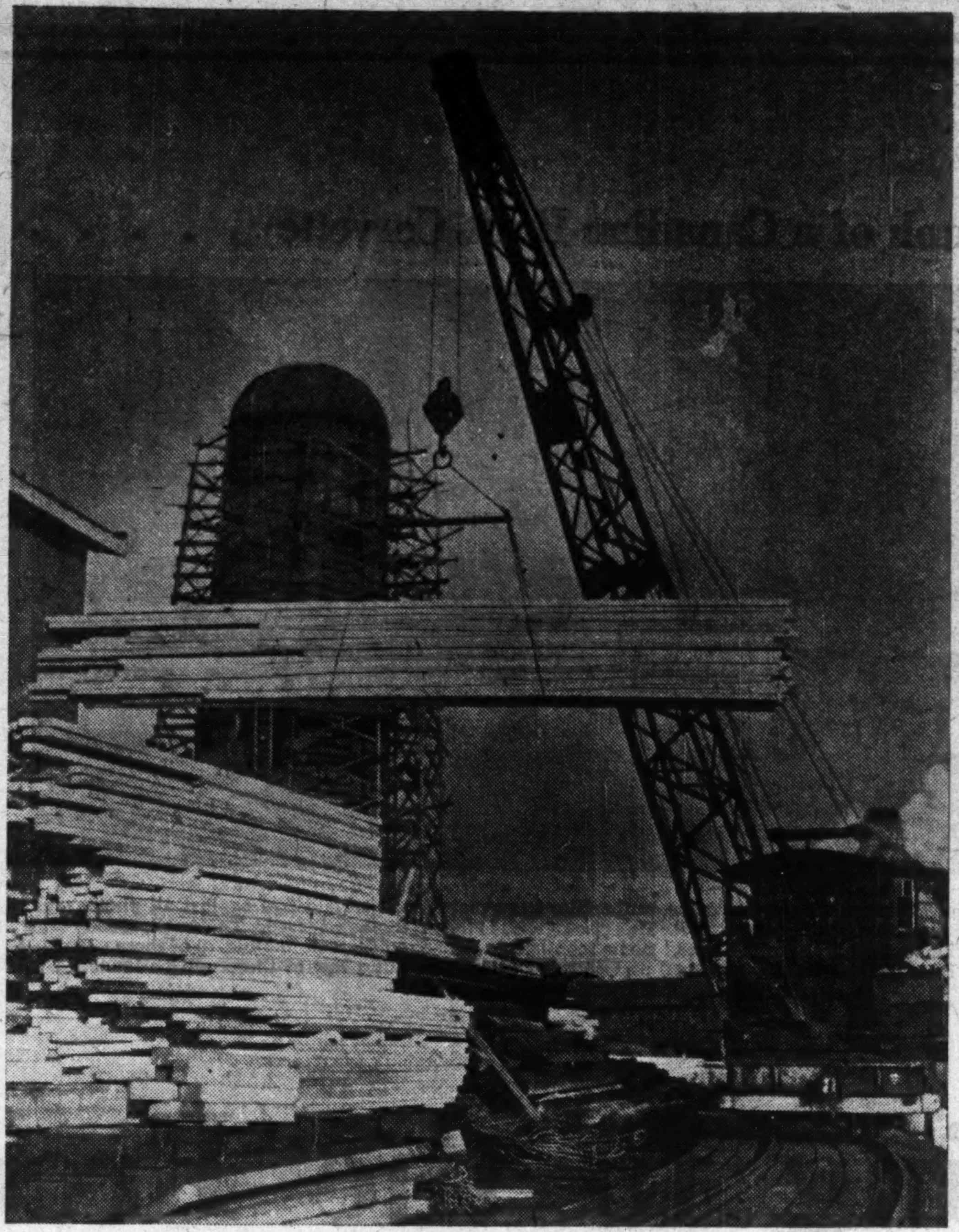
We deem it a privilege to have been able to contribute to the industrial development of Quebec and to be actively associated with its constant progress.

Our Company pioneered the manufacture of certain types of mining castings, which previous to our entry into this field, had to be imported for Canadian users.

in recent months, as a direct result of experience so gained, we have built up an export trade to all corners of the globe of similar type castings.

SOREL
STEEL FOUNDRIES
LIMITED

We are also proud that our Associate Companies are playing such an important role in contributing to the defence of Canada and the Empire.



Lumbering is a Key Industry of Quebec

Quebec's Industry Vital

(Continued from page 33)

Last year it was over $85 millions, with more than 50% of the total output accounted for by metallics.

The millions of dollars of new capital, and the many more millions of dollars of new wealth arising from production of Quebec's northwest mining area, unquestionably was one of the most important factors in helping Quebec to keep its head above water during the past depression period.

War has had a vital influence on this industry. Some branches of the non-metallic branch, especially asbestos, have not been helped by war conditions. On the other hand products like mica and peat have come into demand as regular sources of supply have been cut off.

But the great effect of the war has been on metallic mining. Four-fifths of the copper output—running well over 100 million lb. annually—has been contracted for by the British Government. In addition all gold production is taken by the Dominion Government to help finance cost of the war.

Capacity operation has been the rule in the province's metallic mines since the war started; a factor of the utmost importance in the Dominion's war effort.

Industry Assumes Share

Quebec's manufacturing industries have been called upon to meet abnormal demands arising from the war, and have responded nobly. The heavy goods industries—such as iron and steel, electrochemical and electro-metallurgical, machine tool, explosives, shipyards, castings and forgings, and aircraft—have devoted all their productive facilities to manufacturing those articles required both here and in Britain.

Not only have existing facilities been utilized to the full, but the Dominion Government has aided in their expansion, as well as setting up several purely wartime industries. Tens of millions of dollars have been spent and an equally large sum is being spent in the province to meet the exigencies of the times.

Naturally this state of affairs in Quebec's industries will be carried on without interruption as long as the war lasts. In fact, will be stepped up as the new plants come into production.

Hand in hand with industrial production, and the factor which has made possible the outstanding part which Quebec is taking in production of war supplies and materials, is the power industry. Over half of the developed water power in Canada is located in Quebec. When the war started the power industry was in a position, through reserves, to take care of the sharp expansion in motive power requirements for industry.

Through various economies, improvement in inter-switching facilities, improved water storage and new additions, Quebec's power industries will have available at least another 400,000 h.p. to meet demands arising out of war needs this year.

The part which Quebec's power industry has played in the war effort is not widely realized. Yet it can be said without contradiction that the industrial effort put forth by the province and, in turn the Dominion, has been due to a large extent to the fact that the power industry was prepared when the war started.

Wartime Building

The construction industry of Quebec had a banner year in 1940. The greatest activity took place in extension and building of new industrial plants to meet wartime needs. Over $90 millions was spent in the province last year. Many of these new plants are still in the course of building, so that construction will rank fairly high as a source of income during 1941.

The extent of operations in this field of endeavor is dependent, almost wholly, on the policy governing the wartime needs of the country. Capacity may be sufficient for the time being in many lines; on the other hand, it may be necessary to make even greater extensions. It will only be possible to determine this as the war progresses and the needs of the Empire become apparent.

In other fields of productive effort—fishing, trapping, etc.—the outlook is indeterminate. The course and the extent of the war effort controls the fortunes of these fields of endeavor. Collectively they account for but a very small proportion of the total income—less than 5%—so that their operations have little bearing on the standing of the province.

By and large the rich natural resources of Quebec, the well-organized and extensive industrial facilities, will be used to their maximum during 1941. It cannot be otherwise as long as the war continues. At this time it is not a question of how much income will be derived from these activities, but how this productive power can best be used in the war against Germany.

Fur Farming Expands

Quebec's share in the Canadian fur farming industry is an important one, about a third of the farms being located in the province. This branch of economic activity is not a new one for Quebec, the breeding of fur-bearing animals in captivity having started as far back as 1898. The growth of the industry has not been spectacular, but steady from year to year.

The natural conditions of the province are ideal for the growth of fur farming. While silver fox raising has been and is still the principal form of fur farming, other types of animals have been added to the list, such as mink, raccoon, fitch, etc.

3,370 Fur Farms

In all there are 3,370 fur farms in the Province of Quebec. This contrasts with a Dominion total of 10,454. Of those in the province 3,133 are given over to the raising of foxes; 174 to mink; 25 to fitch; 32 to raccoon; 3 to marten and 3 to muskrat.

The most recent returns of the Dominion Bureau of Statistics show that the investment in these fur farms has reached the impressive total of over $4 millions, of which sum $2.7 millions represents the value of property and just under $1.4 million the value of animals.

Returns to the operators run around $1,275,000 a year. The value of pelts sold in the last year for which complete returns are available was $1,149,151 and the value of animals sold $116,972. This was practically the same figure as reported the previous year.

Associated with fur farming is fur trapping, an important source of revenue to trappers, settlers and others. The value of pelts of fur-bearing animals caught within the province runs over $2.1 millions annually. The figure naturally varies from year to year, but in the past five years or more has averaged around $2 millions annually.

While silver fox accounts for nearly half of the total value of the pelts sold by trappers, there are numerous other types of fur-bearing animals caught in the province. These include, among others, mink, marten, red fox, muskrat, fisher, beaver, otter, lynx, as well as a variety of fox other than the silver type.

Considered collectively fur farm operators and trappers between them account for an annual production valued in excess of $4 millions, a figure which places Quebec high among the Canadian provinces as a source of new fur wealth.

Quebec's Farms Are Growing Larger

Quebec's farms are growing larger. In 1931, or at the time of the last decennial census, 17.4% of the farms in the province were from 1 to 50 acres in size; 32.3% from 51 to 100 acres; 44.6% from 101 to 200 acres and 14.4% over 201 acres. Seven years later—1938—only 3.9% of the farms were under 50 acres; 33.1% were from 51 to 100 acres; 47.2% from 101 to 200 acres and 15.8% over 201 acres.

$30 MILLIONS ON PUBLIC WELFARE

Quebec spent over $30 millions on public welfare in the 1940 fiscal year. Of this sum $15.4 milions was spent on direct relief; $2.9 millions on old age pensions and $12.2 millions on public charities.

QUEBEC RELIEF OUTLAY

Capital expenditures by the Quebec Government on relief works in 1940 amounted to $7,342,000. This

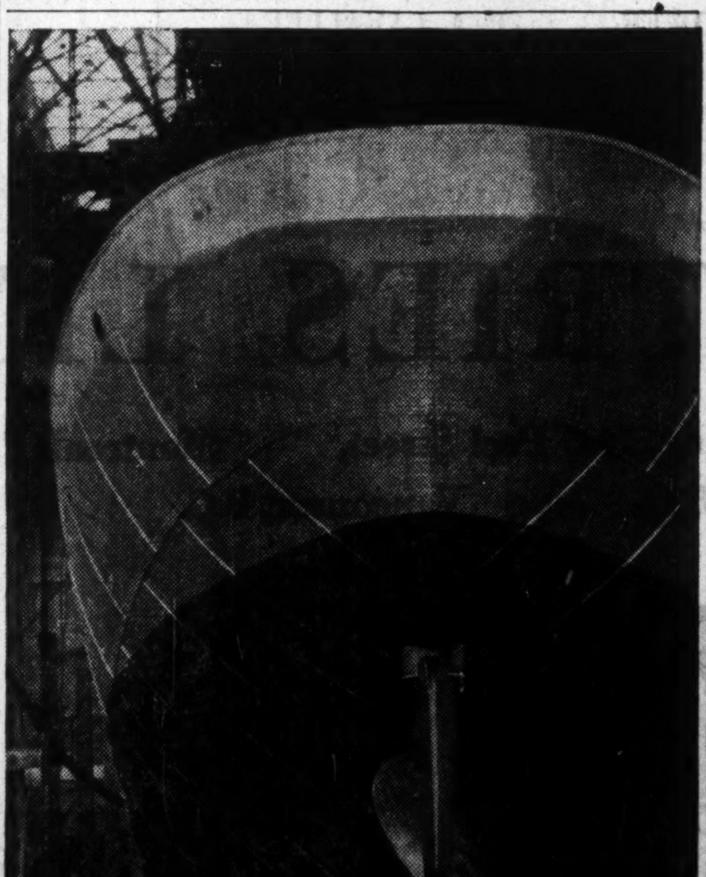
Subsidize Peat For U. S. Market

With the Scandinavian countries and Germany no longer in a position to supply the United States market with peat, the Quebec Government proposes to pay $12,500 for four years in subsidies to those developing this growing industry.

In 1939 the United States imported about 75,000 tons of peat from the Scandinavian countries, while Quebec supplied only 2,000 tons. The material is used largely in gardening and greenhouse culture.

According to Hon. Edgar Rochette, Minister of Mines, Labor and Maritime Fisheries, Quebec has sufficient of this commodity to "supply the world." The greatest deposits lie along the lower regions of the St. Lawrence River on both shores. A survey was made of the situation and the Government decided to subsidize the industry, confident it would bring worth-while returns.

Subsidies will be paid according to the number of bales shipped to the United States. Money for the premiums to be paid will come out of the consolidated revenue fund of the province. No decision has been reached yet to the exact amount of the subsidy or as to whether or not there will be any limitation.



Shipbuilding yards of Quebec have been playing an important part in Canada's war effort.

POWER

Power from mighty General Electric generators is a vital force in Canada's war programme. Surging through a million wires, it lights and lightens numberless tasks that must be accomplished quickly and efficiently.

Canadian General Electric builds, in Canada, not only equipment to generate and distribute power, but also electrical equipment that the power serves. C-G-E research, engineering and manufacturing facilities will continue to play an essential part in Canada's war effort.

CGE-341

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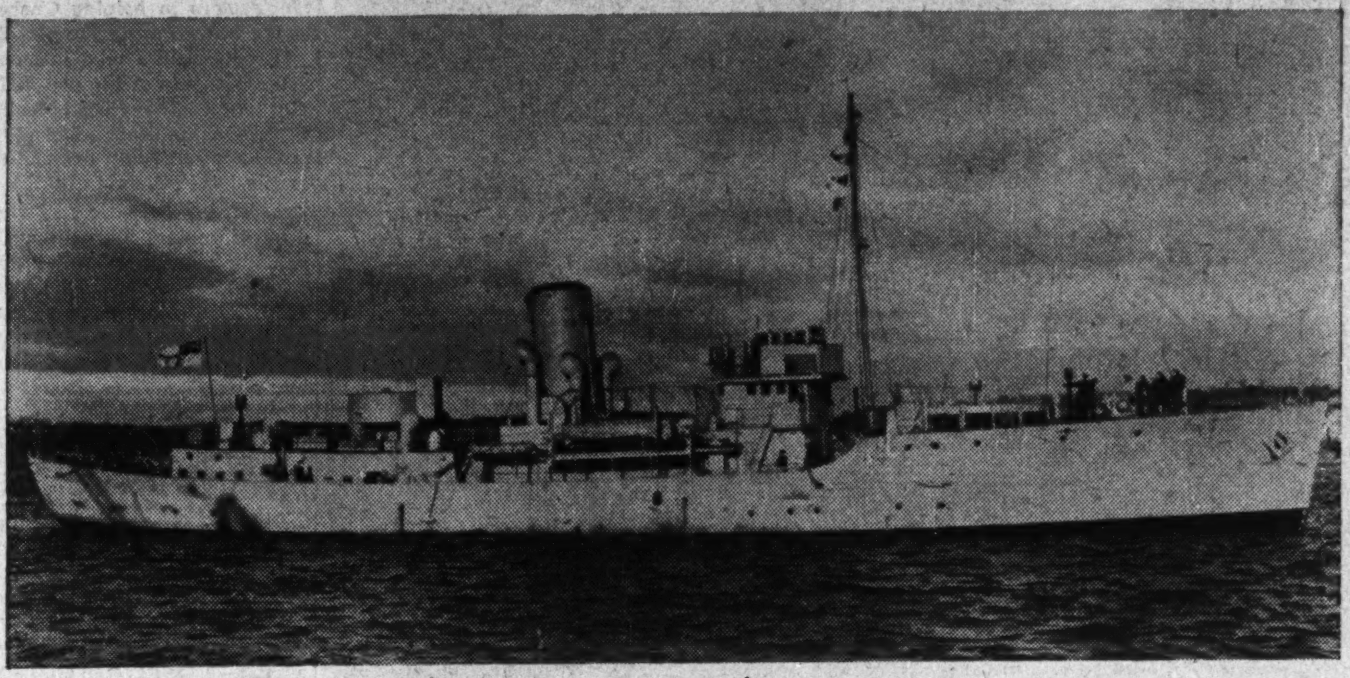
First Photograph of a Canadian-Built Corvette . . . . .



Since Canada started its naval shipbuilding programme, authorities have maintained a rigid ban against all photographs revealing the general appearance of completed "corvettes." This photograph is the first to be released. The small, speedy craft are designed for anti-submarine and general escort duties. Some months ago Canada undertook to build 70 of these vessels—60 for Canada and 10 for the British Government—at a total cost of $39,000,000. All but a few of these will be launched by the end of May from shipyards all over Canada.

Contributing to the Freedom of the Seas

THE freedom of the seas is vital to victory. This includes protection from the submarine menace, of the ships of the line and those of the food and materials-carrying merchant fleets.

Marine Industries Limited is proud of its capacity to meet its part of the nation's and the Empire's shipbuilding needs at this crucial time.

The Canadian-built patrol boat of the "Corvette" class, pictured above, is symbolic of those which Marine Industries' experienced workmanship, organization and modern facilities have built and are building with skill, speed and economy.

Nor must be overlooked the Company's modern equipment for its dredging activities essential for harbor improvements and ship channel deepening where required in Canada. Machine shops and foundries round out the complete qualifications for service.

Corvettes Successful

New Type of Naval Vessel Justifies Itself

London, January 3.—(C.P.)—The British Broadcasting Corporation said tonight that "successes have already been scored" by the new type of naval vessel known as corvettes. The BBC did not give any source for the report.

Corvettes are being built "in large numbers" both in Britain and Canada to fight submarines and escort convoys, the BBC said. "They were designed to meet the need for small craft which could be built quickly and be as thoroughly seaworthy and faster than the trawlers."

Corvettes, which carry three officers and from 60 to 70 men, have "adequate armament and use depth charges against submarines."

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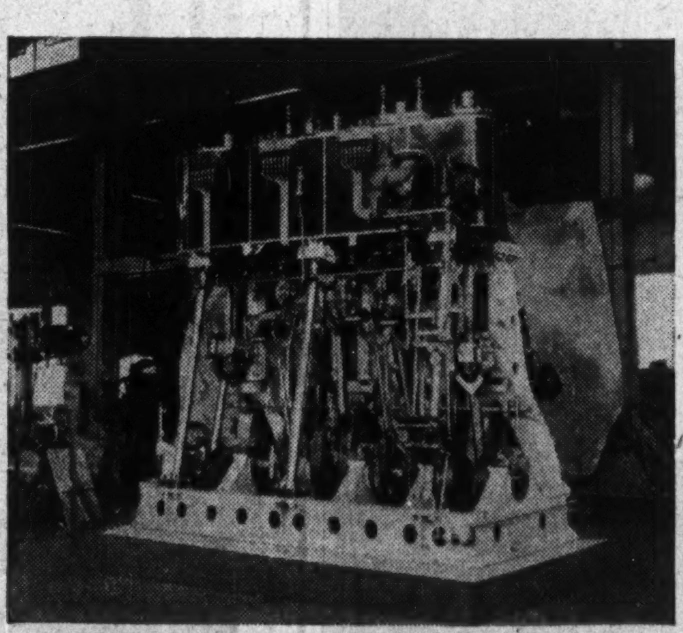
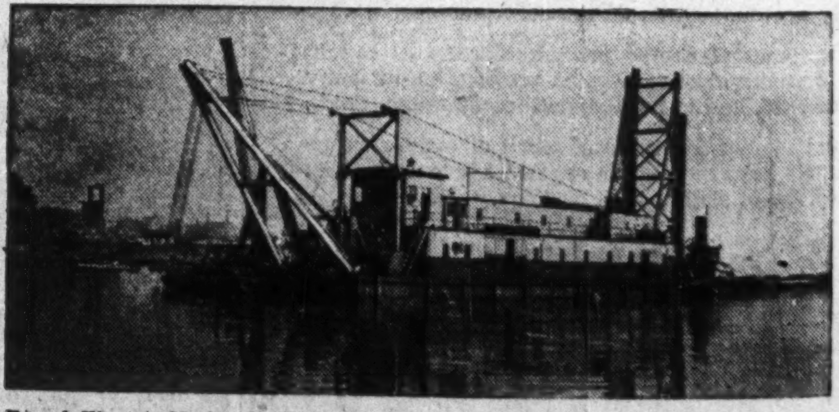
All-welded steel tanker, largest of its kind ever built in Canada, recently completed for the Shell Oil Company of Canada.



Unaflow engine for the new Canadian Government Icebreaker "Lapointe," recently placed in service.



Diesel-Electric Hydraulic Dredge "General Brock," operating on St. Lawrence River ship canal—the last word in modern suction dredges.